

1 LEWIS AND ROCA, L.L.P.
2 40 North Central Avenue
3 Phoenix, Arizona 85004-1429
4 Facsimile (602) 262-5747
Telephone (602) 262-5311

5 Randolph J. Haines-State Bar No. 005440
6 E-mail: rjh@lrlaw.com

7 AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.
8 1900 Pennzoil Place – South Tower
9 711 Louisiana
Houston, Texas 77002
Telephone (713) 220-5800
Facsimile (713) 236-0822

10 H. Rey Stroube, III – Texas State Bar No. 194220
11 Jeffrey C. Krause – California Bar No. 94053
12 E-mail: efiler@akingump.com

13 Attorneys for Debtor BCE West, L.P., et al.

14
15 IN THE UNITED STATES BANKRUPTCY COURT
16 FOR THE DISTRICT OF ARIZONA

17 In Re:) Proceedings Under Chapter 11
18)
19 BCE WEST, L.P. et al.,) Case No. B98-12547-ECF-CGC through 98-
20 Debtors.) 12570-ECF-CGC
21) Jointly Administered
22)
23) **DEBTORS' PLAN FILED JANUARY 6, 2000**
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INTRODUCTION

Boston Chicken, Inc. (“BCI”), BC Real Estate Investments, Inc. (“BCREI”), and the other Affiliates that are Chapter 11 debtors (“Boston Chicken Affiliates” or “BCA” and, together with BCI and BCREI, the “Debtors”) propose the following joint reorganization plan (the “Plan”) for the resolution of their outstanding Creditor Claims and Equity Interests. Reference is made to the Disclosure Statement contemporaneously filed with the Plan, for a discussion of the Debtors’ history, businesses, properties, results of operations, risk factors, a summary and analysis of the Plan, and other related matters. The Debtors are the proponents of the Plan within the meaning of Section 1129 of the Bankruptcy Code.

The Plan does not propose to substantively consolidate the Debtors’ Estates. The establishment of classes of Claims and Interests, and the treatment of Claims and Interests are based on the corporate separateness of each Debtor. Because certain creditors have Claims for which the Debtors are jointly liable, secured by assets of multiple Debtors, the Proceeds of the Collateral of such Creditors shall be distributed to them without allocation among the Debtors, except as provided herein.

This Plan provides for the sale of most of the Debtors’ assets to the Buyer pursuant to Sections 363 and 1123(a) of the Bankruptcy Code. The assets that are not sold to the Buyer (the “Retained Assets”) and the Cash Consideration will be transferred to the Plan Trust, subject to all valid and enforceable Liens, to be administered and distributed by the Plan Trustee in accordance with the terms of this Plan. A single Plan Trust will be created to minimize administrative costs, but the assets of each Debtor’s Estate, other than Collateral for joint obligations, shall be accounted for separately. Many of the Debtors’ Executory Contracts will be assumed and assigned to Buyer pursuant to Sections 365 and 1123(b) of the Bankruptcy Code. The Buyer will pay \$173.5 million in the form of Cash and the assumption of certain liabilities. The Buyer’s parent, McDonald’s Corporation, will guarantee certain of the Buyer’s obligations under the Asset Purchase Agreement. The assets sold to the Buyer will be conveyed free and clear of Liens and Claims as authorized by Section 363(f) and 1123(a)(5)(D) of the Bankruptcy Code. Following the Effective Date, the Debtors will no longer conduct their businesses. This Plan also provides for the dissolution of the Debtors.

As set forth in more detail in **Article III** below, the Debtors believe that Creditors in BCI Classes 6, 7 and 12, BCREI Class 6, and Class 9 for each BCA (subordinated bondholders and securities fraud Claims by bondholders and shareholders), and all Interest holders in BCI, BCREI, and each BCA (BCI Classes 9, 10, and 11, BCREI Class 5, and Classes 6, 7 and 8 for each BCA) will receive no distribution under the Plan. Consequently, such Classes will be deemed to have rejected the Plan, and their votes will not be solicited.

All holders of Claims and all holders of Interests are encouraged to read this Plan and the Disclosure Statement in their entirety before voting to accept or reject this Plan or objecting to the confirmation of this Plan. Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation.

1 **I. DEFINITIONS, RULES OF INTERPRETATION,**
2 **AND COMPUTATION OF TIME**

3 **A. Definitions; Rules Of Construction**

4 All definitions set forth on Appendix I-A attached to the Plan are incorporated in
5 the Plan for all purposes. Any term used in this Plan that is not defined herein, but is defined in
6 the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in
7 the Bankruptcy Code or Bankruptcy Rules. Whenever the context requires, such terms shall
8 include the plural and the singular.

9 **B. Rules of Interpretation**

10 For purposes of the Plan (a) any reference in the Plan to a contract, instrument,
11 release, indenture, or other agreement or document being in a particular form or on particular
12 terms and conditions means that it shall be substantially in such form or substantially on such
13 terms and conditions, (b) any reference in the Plan to an existing document or exhibit filed or to
14 be filed means such document or exhibit as it may have been or may be amended, modified, or
15 supplemented, (c) unless otherwise specified, all references in the Plan to Sections, Articles,
16 Appendices, Schedules, and Exhibits are references to Sections, Articles, Schedules, Appendices
17 and Exhibits of or to the Plan, (d) the words “herein” and “hereto” refer to the Plan in its entirety
18 rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections
19 are inserted for convenience of reference only and are not intended to be a part of or to affect the
20 interpretation of the Plan, and (f) the rules of construction set forth in Section 102 of the
21 Bankruptcy Code and in the Bankruptcy Rules shall apply.

22 **C. Computation of Time**

23 In computing any period of time prescribed or allowed by the Plan, the provisions
24 of Bankruptcy Rule 9006(a) shall apply.

25 **II. CLASSIFICATION OF CLAIMS AND INTERESTS**

26 **A. Introduction**

27 All Claims and Interests, except DIP Facility Claims, Adequate Protection
28 Obligations, General Administrative Claims, and Priority Tax Claims, are placed in the Classes
set forth below. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Claims entitled
to administrative priority and Priority Tax Claims, have not been classified.

A Claim or Interest is placed in a particular Class only to the extent that the Claim
or Interest falls within the description of that Class, and is classified in other Classes to the extent
that any portion of the Claim or Interest falls within the description of such other Classes. A
Claim is placed in a particular Class for the purpose of receiving distributions pursuant to the
Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not
been paid, released, or otherwise settled prior to the Effective Date. The establishment of
particular Classes or categories of Unclassified Priority Claims does not mean or imply that there
are any Allowed Claims that fall into each such Class or category and the Debtors reserve the

1 right to themselves and the Plan Trustee, as the successor to the Debtors, to contend that there
2 are no such Allowed Claims in any given Class or category.

3 **B. Unclassified Priority Claims.**

4 The following Claims (hereinafter the “Unclassified Priority Claims”) with
5 respect to each of the Debtors shall not be classified and shall not be entitled to vote on the Plan:

- 6 1. DIP Facility Claims. All claims arising under the DIP Facility.
- 7 2. Adequate Protection Obligations. The Allowed Adequate Protection
8 Obligations to the 1996 Lenders, if any.
- 9 3. General Administrative Claims. All claims entitled to priority under
10 Bankruptcy Code § 507(a)(1), other than DIP Facility Claims and Adequate Protection
11 Obligations.
- 12 4. Priority Tax Claims. All unsecured tax claims entitled to priority under
13 Bankruptcy Code § 507(a)(8).

14 **C. Classes of Claims and Interests Against BCI**

- 15 1. BCI Class 1. All Allowed Claims entitled to priority under Bankruptcy
16 Code § 507(a)(4), (5), (6) or (9).
- 17 2. BCI Class 2 – The Allowed Secured Claims of the 1996 Lenders. Claims
18 in this Class shall be limited to the lesser of (i) the Allowed Claims of the 1996 Lenders or (ii)
19 the sum of (a) the Proceeds of the 1996 BCI Collateral that is sold to the Buyer, and (b) the value
20 of the 1996 BCI Collateral that is part of the Retained Assets.
- 21 3. BCI Class 3 – The Allowed Secured Claims of the 1995 Lenders. Claims
22 in this Class shall be limited to the lesser of (i) the Allowed Claims of the 1995 Lenders or (ii)
23 the sum of (a) the Proceeds of the 1995 BCI Collateral that is sold to Buyer, and (b) the value of
24 the 1995 BCI Collateral that is part of the Retained Assets.
- 25 4. BCI Class 4 – Other Secured Claims. Each Allowed Claim that is secured
26 by property of BCI’s Estate, other than those in Classes 2 and 3, shall be in its own separate
27 subclass of Class 4. Claims in each such subclass shall be limited to the lesser of (i) the Allowed
28 Claim of that Creditor that is secured by the relevant Collateral, or (ii) the Proceeds of the
Collateral owned by BCI securing such Claim, to the extent that Collateral is sold to the Buyer,
or the value of the Collateral owned by BCI securing such Claim, if the Collateral is part of the
Retained Assets.
5. BCI Class 5 – Senior Unsecured Claims. All Allowed Unsecured Claims
to which the Allowed Class 6 Claims are contractually subordinated, including without limitation
any unsecured portion of any Secured Creditor’s Allowed Claim.
6. BCI Class 6 – Subordinated Unsecured Debentures

- 1 a. BCI Class 6A - All Allowed Claims arising under the 1994
2 Debentures.
- 3 b. BCI Class 6B – All Allowed Claims arising under the 1997
4 Debentures.
- 5 c. BCI Class 6C – All Allowed Claims arising under the LYONs.
- 6 7. BCI Class 7 – All Debt Securities Claims arising directly or indirectly
7 from Class 6 Debentures.
- 8 8. BCI Class 8 – All Allowed Unsecured Claims that are not included in
9 Unclassified Priority Claims or any other Class, including without limitation all Allowed Claims
10 arising from the rejection of Executory Contracts.
- 11 9. BCI Class 9 – Preferred Stock issued by BCI.
- 12 10. BCI Class 10 – Common Stock issued by BCI.
- 13 11. BCI Class 11 – Common Stock Options, Warrants and Rights relating to
14 BCI Common Stock.
- 15 12. BCI Class 12 – Equity Securities Claims arising directly or indirectly from
16 any Interests in BCI.

17 **D. Classes of Claims Against BCREI**

- 18 1. BCREI Class 1 - All Allowed Claims entitled to priority under Bankruptcy
19 Code § 507(a)(4), (5), (6) or (9).
- 20 2. BCREI Class 2 – The Allowed Secured Claims of the 1996 Lenders.
21 Claims in this Class shall be limited to the lesser of (i) the Allowed Claims of the 1996 Lenders
22 or (ii) the sum of (a) the Proceeds of the 1996 BCREI Collateral that is sold to the Buyer, and (b)
23 the value of the 1996 BCREI Collateral that is part of the Retained Assets.
- 24 3. BCREI Class 3 – Other Secured Claims. Each Allowed Claim that is
25 secured by property of BCREI's Estate, other than the Claims in Class 2, shall be in its own
26 separate subclass of Class 3. Each claim in each such subclass shall be limited to the lesser of (i)
27 the Allowed Claim of that Creditor that is secured by Collateral owned by BCREI, or (ii) the
28 Proceeds of the Collateral owned by BCREI securing such Claim, to the extent that Collateral is
sold to the Buyer, or the value of the Collateral owned by BCREI securing such Claim, if the
Collateral is part of the Retained Assets.
4. BCREI Class 4 – General Unsecured Claims. All Allowed Unsecured
Claims against BCREI that are not included in Unclassified Priority Claims or Class 1, including,
without limitation, any unsecured portion of any Secured Creditor's Allowed Claim and all
Allowed Claims arising from the rejection of Executory Contracts.

1 5. BCREI Class 5 – Common Stock issued by BCREI, 100% of which is
2 owned by BCI.

3 6. BCREI Class 6 – Equity Securities Claims arising directly or indirectly
4 from any Interests in BCREI.

5 **E. Classes Of Claims Against Each Boston Chicken Affiliate**

6 The Classes of Creditors for each BCA shall be as follows:

7 1. BCA Class 1 - All Allowed Claims, if any, against that BCA entitled to
8 priority under Bankruptcy Code § 507(a)(4), (5), (6) or (9).

9 2. BCA Class 2 – The Allowed Secured Claims of the 1996 Lenders. Claims
10 in this Class shall be limited to the lesser of (i) the Allowed Claim of the 1996 Lenders or (ii) the
11 sum of (a) the Proceeds of the 1996 BCA Collateral owned by that BCA that is sold to the Buyer,
and (b) the value of the 1996 BCA Collateral owned by that BCA that is part of the Retained
Assets.

12 3. BCA Class 3 – The Allowed Secured Claims of the 1995 Lenders. Claims
13 in this Class shall be limited to the lesser of (i) the Allowed Claim of the 1995 Lenders or (ii) the
14 sum of (a) the Proceeds of the 1995 BCA Collateral owned by that BCA that is sold to Buyer,
and (b) the value of the 1995 BCA Collateral owned by that BCA that is part of the Retained
Assets.

15 4. BCA Class 4 – Other Secured Claims. Each Allowed Secured Claim,
16 other than those in Classes 2 and 3 shall be in its own separate subclass of Class 4. Each Claim
17 in each such subclass shall be limited to the lesser of (i) the Allowed Claim of that Creditor or
18 (ii) the Proceeds of the Collateral owned by that BCA securing that Claim, to the extent that
Collateral is sold to the Buyer, or the value of the Collateral owned by that BCA securing that
Claim, if the Collateral is part of the Retained Assets.

19 5. BCA Class 5 – General Unsecured Claims. All Allowed Unsecured
20 Claims against that BCA that are not included in Unclassified Priority Claims or Class 1,
21 including without limitation any unsecured portion of any Secured Creditor's Allowed Claim and
all Allowed Claims arising from rejection of Executory Contracts.

22 6. BCA Class 6 – Any Preferred Equity Securities Issued by that BCA.

23 7. BCA Class 7 – Any Common Equity Securities issued by that BCA.

24 8. BCA Class 8 – Options, Warrants or Rights to acquire any Equity
25 Securities issued by that BCA.

26 9. BCA Class 9 – Equity Securities Claims arising directly or indirectly from
27 any Interests in that BCA.

1 **F. Designation of Impaired Claims and Interests and Unimpaired Claims**

2 With the exception of the Allowed Claims in BCI Class 1, BCREI Class 1 and
3 each BCA Class 1, all Claims are impaired. Claims in BCI Class 1, BCREI Class 1 and each
4 BCA Class 1 are not impaired. Claims in BCI Classes 7 and 12, BCREI Class 6 and Class 9 for
5 each BCA and all Interests (BCI Classes 9 through 11, inclusive, BCREI Class 5, and Classes 6,
6 7, and 8 for each BCA), are impaired, and will not receive or retain any property on account of
7 such Claims or Interests. These Classes are deemed to have rejected the Plan. Similarly, the
8 Debtors believe that Claims in BCI Class 6 will not receive or retain any property under the Plan
9 and, therefore, this Class is deemed to have rejected the Plan.

10 **III. TREATMENT OF CLAIMS AND INTERESTS**

11 **A. Unclassified Priority Claims**

12 To the extent the Debtors are jointly and severally liable for any of the
13 Unclassified Priority Claims, those Unclassified Priority Claims will be paid from the Estate
14 Funds of the Debtors or the Cash Proceeds of the Collateral of the 1996 Lenders without any
15 need to allocate such Cash among the Debtors.

16 1. DIP Facility Claims

17 The Confirmation Order shall allow the DIP Facility Claim in the amount
18 due on the date of the Confirmation Hearing, including all interest through that date and fees and
19 costs through the most recent date for which the DIP Lenders have submitted such information.
20 On the Initial Distribution Date, each holder of an Allowed DIP Facility Claim shall receive in
21 full satisfaction, settlement, release, and discharge of and in exchange for such Allowed DIP
22 Facility Claim, Cash equal to the unpaid portion of such Allowed DIP Facility Claim in the
23 amount Allowed hereunder plus any draws that the Debtors make under the DIP Facility after the
24 Confirmation Hearing and all interest, fees and costs under the DIP Facility through the date of
25 payment. In addition, any letters of credit (as defined in the DIP Facility) outstanding on the
26 Effective Date shall be terminated as of the Effective Date.

27 2. Adequate Protection Obligations.

28 After the payment in full of the Priority Claims (or the establishment of a
cash reserve sufficient to pay any unresolved or disputed Priority Claims), and the establishment
and maintenance of an adequate Administrative Reserve, any remaining Estate Funds shall be
distributed first to the holders of Allowed Adequate Protection Obligations, if any, Pro Rata,
until such Claims are paid in full; provided, however, that the 1996 Lenders may, by a vote of
66-2/3% in dollar amount and more than 50% in number, at any time after Confirmation of this
Plan, permit Estate Funds that would otherwise be distributable to such holders to be used for
other purposes, including without limitation, payment of the costs of administering the Plan
Trust.

 3. General Administrative Claims

1 Except as otherwise provided for herein, and subject to the requirements
2 of Article XIII.A hereof, on the latest of (i) the Initial Distribution Date, (ii) the date such
3 Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date such
4 Administrative Claim becomes payable pursuant to any agreement between a Debtor and the
5 holder of such Administrative Claim, each holder of an Allowed Administrative Claim shall
6 receive in full satisfaction, settlement, release, and discharge of and in exchange for such
7 Allowed Administrative Claim (a) Cash equal to the unpaid portion of such Allowed
8 Administrative Claim, or (b) such other treatment as the Plan Trustee or the Buyer (if it has
9 assumed responsibility for paying that Claim) and such holder shall have agreed upon in writing.

4. Priority Tax Claims

8 On the later of (i) the Initial Distribution Date or (ii) the date such Priority
9 Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax
10 Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for
11 such Allowed Priority Tax Claim, Cash equal to the unpaid portion of such Allowed Priority Tax
12 Claim. No holder of an Allowed Priority Tax Claim shall be entitled to any payments on account
13 of any pre-Initial Distribution Date interest accrued on, or penalty arising after the Petition Date
14 with respect to, such Allowed Priority Tax Claim.

B. Classes of Claims and Interests Against BCI

1. BCI Class 1 - Other Priority Claims

15 The holder of an Allowed Other Priority Claim against BCI will receive (i)
16 Cash on the Initial Distribution Date, equal to the amount of such Allowed Other Priority Claim,
17 or (ii) such other treatment as BCI and such holder agree upon in writing prior to the Initial
18 Distribution Date.

2. BCI Class 2 – The 1996 Lenders’ Secured Claims

19 The Liens securing the BCI Class 2 Secured Claims will attach to the
20 Proceeds of the sale of the 1996 BCI Collateral and shall continue as Liens on the Retained
21 Assets that constitute 1996 BCI Collateral, to the extent they are valid, enforceable Liens. In full
22 satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured
23 Claims, the holders will receive (i) from the Net Proceeds of the sale of the 1996 BCI Collateral,
24 a Pro Rata distribution of such Net Proceeds after payment in full (or with respect to all Disputed
25 Claims and all Professional Fee Claims subject to fee application the establishment of a Cash
26 reserve sufficient to pay in full the amount asserted by all such Creditors and professionals) of
27 the Allowed DIP Facility Claims, Allowed General Administrative Claims, Allowed Priority Tax
28 Claims and Allowed Class 1 Claims; (ii) from the Proceeds of the Retained Assets that constitute
1996 BCI Collateral, a Pro Rata distribution of those Proceeds; and (iii) from the BCI Estate
Funds (which shall be subject to the replacement Lien granted under Section IV.C. of the Plan)
after payment of the permitted costs of administering the Plan Trust, an amount up to the 1996
Lenders’ Reimbursement Claim. In no event shall the total distributions to Class 2 exceed the
Allowed Class 2 Claims. The amount of any Claim of a BCI Class 2 Creditor that is not
Allowed as either a BCI Class 2 Secured Claim, a BCREI Class 2 Secured Claim or a BCA Class

2 Secured Claim or satisfied by the surrender of the Collateral for that Claim, shall be treated as a BCI Class 5 Senior Unsecured Claim, after appropriate reduction for the value of any Collateral surrendered to that Class.

3. BCI Class 3 – 1995 Lenders Secured Claims

The Liens securing the BCI Class 3 Secured Claims will attach to the Proceeds of the sale of the 1995 BCI Collateral and shall continue as Liens on the Retained Assets that constitute 1995 BCI Collateral, to the extent they are valid, enforceable Liens. In full satisfaction, settlement, release, and discharge of and in exchange for such Allowed BCI Class 3 Secured Claims, the holders will receive from the Proceeds of the sale of the 1995 BCI Collateral a Pro Rata distribution of such Proceeds on the Initial Distribution Date or as soon thereafter as the Proceeds can be quantified and shall receive either a physical turnover of the Retained Assets that constitute 1995 BCI Collateral by the Secured Creditor Final Payment Date (or such later date as is set by the Bankruptcy Court after notice to Class 3 and a hearing) or payment of the Proceeds of any 1995 BCI Collateral sold by BCI or the Plan Trustee prior to the Secured Creditor Final Payment Date. In no event shall the total distributions to Class 3 exceed the Allowed BCI Class 3 Claims. The amount of any Claim of a BCI Class 3 Creditor that is not Allowed as either a BCI Class 3 Secured Claim or a BCA Class 3 Secured Claim, or satisfied by the surrender of the Collateral for that Claim, shall be treated as a BCI Class 8 Senior Unsecured Claim, after appropriate reduction for the value of any Collateral surrendered to that Class.

4. BCI Class 4 - Other Secured Claims

The Liens securing each subclass of BCI Class 4 will attach to the Proceeds of the sale of the Collateral securing that subclass that is sold to the Buyer and shall continue as Liens on the Retained Assets securing that subclass, to the extent they are valid, enforceable Liens. A holder of an Allowed BCI Class 4 Secured Claim, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Claim, will receive the Proceeds of the sale of the Collateral securing that subclass of Class 4 that is sold to the Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of such Collateral can be quantified, and shall receive either a physical turnover of the Retained Assets that constitute Collateral for that Claim by the Secured Creditor Payment Final Date, or payment of the Proceeds of any such Collateral sold by BCI prior to that date. In no event shall the total distributions to any holder of an Allowed BCI Class 4 Claim exceed the Allowed amount of such Claim. The amount of any Claim of a BCI Class 4 Creditor that is not paid as a BCI Class 4 Secured Claim or satisfied by the surrender of the Collateral for that Claim, shall be treated as a BCI Class 5 Senior Unsecured Claim, after appropriate reduction for the value of any Collateral surrendered to that Creditor.

5. BCI Class 5 - Senior Unsecured Claims

After full payment to Priority Claims and the Allowed Secured Claims in BCI Classes 2, 3 and 4, the holder of an Allowed BCI Class 5 Claim, together with Creditors holding Allowed Claims in BCI Class 8, will receive a distribution from the remaining BCI Estate Funds, which shall be distributed to the holders of Allowed Class 5 Claims and Allowed Class 8 Claims with each holder of an Allowed Class 5 Claim receiving the product of (a) a

fraction the numerator of which is the sum of all Allowed Claims in Classes 5 and 6, and the denominator of which is all Allowed Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the numerator of which is the holder's Allowed Claim and the denominator of which is the total of all Allowed Class 5 Claims.

6. BCI Class 6 – Unsecured Debentures

a. BCI Class 6A - 1994 Debentures:

The Debtors believe that the holders of 1994 Debentures Claims will not receive or retain any property under the Plan. To enforce the contractual subordination to all Allowed Claims in Classes 2 through 5, inclusive, all sums that otherwise would be distributable to holders of Allowed Claims in this Class will be paid to the holders of Allowed Class 5 Claims, pursuant to the allocation of the BCI Estate Funds between Classes 5 and 8 set forth herein, until all Allowed Class 5 Claims are paid in full. In the unlikely event Class 5 Claims are paid in full, any surplus shall be distributed to the holders of Allowed Class 6 Claims and Allowed Class 8 Claims with each holder of an Allowed Class 6 Claim receiving the product of (a) a fraction the numerator of which is the sum of all Allowed Claims in Classes 5 and 6, and the denominator of which is all Allowed Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the numerator of which is the holder's Allowed Claim and the denominator of which is the total of all Allowed Class 6 Claims. **BCI assumes there will be no such distribution and, therefore, the holders of Allowed BCI Class 6 Claims will not receive or retain any property under the Plan.**

b. BCI Class 6B – 1997 Debentures:

The Debtors believe that the holders of 1997 Debentures Claims will not receive or retain any property under the Plan. To enforce the contractual subordination to all Allowed Claims in Classes 2 through 5, inclusive, all sums that otherwise would be distributable to holders of Allowed Claims in this Class will be paid to the holders of Allowed Class 5 Claims, pursuant to the allocation of the BCI Estate Funds between Classes 6 and 8 set forth herein, until all Allowed Class 5 Claims are paid in full. In the unlikely event Class 5 Claims are paid in full, any surplus shall be distributed Pro Rata to the holders of Allowed Class 6 Claims and Allowed Class 8 Claims with each holder of an Allowed Class 6 Claim in receiving the product of (a) a fraction the numerator of which is the sum of all Allowed Claims in Classes 5 and 6, and the denominator of which is all Allowed Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the numerator of which is the holder's Allowed Claim and the denominator of which is the total of all Allowed Class 6 Claims. **BCI assumes there will be no such distribution and, therefore, the holders of Allowed BCI Class 6 Claims will not receive or retain any property under the Plan.**

c. BCI Class 6C – LYONs:

The Debtors believe that the holders of LYONs Claims will not receive or retain any property under the Plan. To enforce the contractual subordination to all Allowed Claims in Classes 2 through 5, inclusive, all sums that otherwise would be distributable to holders of Allowed Claims in this Class will be paid to the holders of Allowed Class 8 Claims,

1 pursuant to the allocation of the BCI Estate Funds between Classes 5 and 8 set forth herein, until
2 all Allowed Class 5 Claims are paid in full. In the unlikely event Class 5 Claims are paid in full,
3 any surplus shall be distributed Pro Rata to the holders of Allowed Class 6 Claims and Allowed
4 Class 8 Claims with each holder of an Allowed Class 6 Claim in receiving the product of (a) a
5 fraction the numerator of which is the sum of all Allowed Claims in Classes 5 and 6, and the
6 denominator of which is all Allowed Claims in Classes 5, 6 and 8, multiplied by (b) a fraction
7 the numerator of which is the holder's Allowed Claim and the denominator of which is the total
8 of all Allowed Class 6 Claims. **BCI assumes there will be no such distribution and,
9 therefore, the holders of Allowed BCI Class 6 Claims will not receive or retain any
10 property under the Plan.**

11
12 7. BCI Class 7 – Debt Securities Claims.

13 The holders of Allowed BCI Class 7 Claims will not receive or retain any
14 property under the Plan.

15 8. BCI Class 8 – General Unsecured Claims

16 After full payment to the Priority Claims and the Allowed Secured Claims
17 in BCI Classes 2 through 4, inclusive, the holder of an Allowed BCI Class 8 Claim, together with
18 Creditors holding Allowed Claims in BCI Class 5, will receive a distribution from the remaining
19 BCI Estate Funds, which shall be distributed to the holders of Allowed Class 5 Claims (or Class
20 6 Claims in the unlikely event Class 5 Claims are paid in full) and Allowed Class 8 Claims with
21 each holder of an Allowed Class 8 Claim receiving the product of (a) a fraction the numerator of
22 which is the sum of all Allowed Claims in Classes 5 and 6, and the denominator of which is all
23 Allowed Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the numerator of which is the
24 holder's Allowed Claim and the denominator of which is the total of all Allowed Class 8 Claims.

25 9. BCI Class 9 – Preferred Stock Issued by BCI

26 The holders of Allowed BCI Class 9 Interests will not receive or retain
27 any property under the Plan and the Equity Securities will be cancelled on the Effective Date.

28 10. BCI Class 10 – Common Stock Issued by BCI

The holders of Allowed BCI Class 10 Interests will not receive or retain
any property under the Plan and the Equity Securities will be cancelled on the Effective Date.

11. BCI Class 11 – Common Stock Options, Warrants and Rights Issued by
BCI

The holders of Allowed BCI Class 11 Interests will not receive or retain
any property under the Plan and the Equity Securities will be cancelled on the Effective Date.

12. BCI Class 12 – Equity Securities Claims

The holders of Equity Securities Claims will not receive or retain any
property under the Plan.

C. Classes Of Claims and Interests Against BCREI

1. BCREI Class 1 - Other Priority Claims

The holders of Allowed Other Priority Claims against BCREI will receive (i) Cash on the Initial Distribution Date equal to the amount of such Allowed Other Priority Claims, or (ii) such other treatment as to which BCREI and such holder will have agreed upon in writing prior to the Initial Distribution Date.

2. BCREI Class 2– The 1996 Lenders’ Secured Claims

The Liens securing the BCREI Class 2 Secured Claims will attach to the Proceeds of the sale of the 1996 BCREI Collateral and shall continue as Liens upon the Retained Assets that constitute 1996 BCREI Collateral, to the extent they are valid, enforceable Liens. A holder of an Allowed BCREI Class 2 Secured Claim, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Claim, will receive (i) from the Net Proceeds of the sale of the 1996 BCREI Collateral, a Pro Rata distribution of such Net Proceeds after payment in full (or with respect to all Disputed Claims and all Professional Fee Claims subject to fee application the establishment of a Cash reserve sufficient to pay in full the amount asserted by all such Creditors and professionals) of the Allowed DIP Facility Claims, Allowed General Administrative Claims, Allowed Priority Tax Claims and Allowed Class 1 Claims); (ii) from the Proceeds of the Retained Assets that constitute 1996 BCREI Collateral, a Pro Rata distribution of those Proceeds; and (iii) from the BCREI Estate Funds (which shall be subject to the replacement Lien granted under Section IV.C. of the Plan) after payment of the permitted costs of administering the Plan Trust an amount up to the 1996 Lenders’ Reimbursement Claim. In no event shall the total distributions to Class 2 exceed the Allowed Class 2 Claims. The amount of any Claim of a BCREI Class 2 Creditor that is not Allowed as either a BCI Class 2 Secured Claim, a BCREI Class 2 Secured Claim or a BCA Class 2 Secured Claim or satisfied by the surrender of the Collateral for that Claim, shall be treated as a BCREI Class 4 Unsecured Claim, after appropriate reduction for the value of any Collateral surrendered to that Class.

3. BCREI Class 3 – Other Secured Claims

The Liens securing each subclass of BCREI Class 3 will attach to the proceeds of the sale of the Collateral securing that subclass that is sold to Buyer and shall continue as Liens upon the Retained Assets securing that subclass, to the extent they are valid, enforceable Liens. A holder of an Allowed BCREI Class 3 Secured Claim, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Claim, will receive the Proceeds of the sale of the Collateral securing that subclass of Class 3 that is sold to the Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of such Collateral can be quantified, and shall receive either a physical turnover of the Retained Assets that constitute Collateral for that Claim by the Secured Creditor Final Payment Date, or payment of the Proceeds of any such Collateral sold prior to that date. In no event shall the total distributions to any holder of an Allowed Class 3 Claim exceed the Allowed amount of such Claim. The amount of any Claim of a BCREI Class 3 Creditor that is not Allowed as a BCREI

1 Class 3 Secured Claim or satisfied by the surrender of the Collateral for that Claim, shall be
2 treated as a BCREI Class 4 Senior Unsecured Claim, after appropriate reduction for the value of
3 any Collateral surrendered to that Creditor.

4 4. BCREI Class 4 – General Unsecured Claims

5 After full payment to Priority Claims and the Allowed Secured Claims in
6 Classes 2 and 3, the holder of an Allowed Class 4 Claim will receive a Pro Rata distribution from
7 the remaining BCREI Estate Funds.

8 5. BCREI Class 5 – Common Stock Issued by BCREI

9 The holders of Allowed BCREI Class 5 Interests will not receive or retain any
10 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

11 6. BCREI Class 6 – BCREI Equity Securities Claims

12 The holders of BCREI Class 6 Claims will not receive or retain any
13 property under the Plan.

14 **D. Classes Of Claims and Interests Against Boston Chicken Affiliates**

15 The assets of the Estate of each BCA Debtor or the Proceeds from the sale of such
16 assets shall be distributed in the manner described below. Each such BCA Debtor shall have six
17 Classes of Claims and two or three Classes of Interests, depending on whether that Debtor issued
18 preferred stock. The Classes for each BCA Debtor shall be separate and shall be paid, if at all,
19 from the disposition of the assets of the Estate of that BCA Debtor. To the extent the Claims in
20 Classes 2 or 3 are cross-collateralized and joint and several obligations, the value of the
21 Collateral for such claims will not be allocated among the Boston Chicken Affiliates, BCI and
22 BCREI.

23 1. BCA Class 1 – Other Priority Claims.

24 The holder of an Allowed Other Priority Claim against any BCA will
25 receive (i) Cash on the Initial Distribution Date equal to the amount of such Allowed Other
26 Priority Claim, or (ii) such other treatment as to which that BCA and such holder will have
27 agreed upon in writing prior to the Initial Distribution Date.

28 2. BCA Class 2 –The 1996 Lenders’ Secured Claims.

The Liens securing the BCA Class 2 Secured Claims against each BCA
will attach to the Proceeds of the sale of the 1996 BCA Collateral owned by that BCA , and shall
continue as Liens upon the Retained Assets that constitute 1996 BCA Collateral, to the extent
they are valid, enforceable Liens. In full satisfaction, settlement, release, and discharge of and in
exchange for such Allowed Secured Claim, the holder will receive (i) from the Net Proceeds of
the sale of the 1996 BCA Collateral, a Pro Rata distribution of the Net Proceeds of the 1996

1 BCA Collateral after payment in full (or with respect to all Disputed Claims and all Professional
2 Fee Claims subject to fee application the establishment of a Cash reserve sufficient to pay in full
3 the amount asserted by all such Creditors and professionals) of the Priority Claims); (ii) from the
4 Proceeds of the Retained Assets that constitute 1996 BCA Collateral, a Pro Rata distribution of
5 those Proceeds; and (iii) from that BCA's Estate Funds (which shall be subject to the
6 replacement Lien granted under Section IV.C. of the Plan) after payment of the permitted costs
7 of administering the Plan Trust, an amount up to the 1996 Lender's Reimbursement Claim. In
8 no event shall the total distributions to Class 2 exceed the Allowed Class 2 Claims. The amount
9 of any Claim of a BCA Class 2 Creditor that is not Allowed as either a BCI Class 2 Secured
10 Claim, a BCREI Class 2 Secured Claim or a BCA Class 2 Secured Claim or satisfied by the
11 surrender of the Collateral for that Claim, shall be treated as a BCREI Class 4 Unsecured Claim,
12 after appropriate reduction for the value of any Collateral surrendered to that Class.

3. BCA Class 3 – The 1995 Lenders' Secured Claims

10 The Liens securing the Class 3 Allowed Secured Claims against each
11 BCA will attach to the proceeds of the sale of the 1995 BCA Collateral owned by that BCA, and
12 shall continue as Liens upon the Retained Assets that constitute 1995 BCA Collateral, to the
13 extent they are valid, enforceable Liens. A holder of an allowed BCA Class 3 Claim, in full
14 satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Class 3
15 Secured Claim, will receive the Proceeds of the sale of the 1995 BCA Collateral owned by that
16 BCA that is sold to Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of
17 such Collateral can be quantified, and shall receive either physical turnover of the Retained
18 Assets that constitute 1995 BCA Collateral for that Claim by the Secured Creditor Final Payment
19 Date, or payment of the Proceeds of any 1995 BCA Collateral sold prior to that date. In no event
20 shall the total distributions to any holder of an Allowed Class 3 Claim exceed the Allowed
21 amount of such Claim. The amount of any Claim of a BCA Class 3 Creditor that is not Allowed
22 as either a BCI Class 3 Secured Claim or a BCA Class 3 Secured Claim, or satisfied by the
23 surrender of the Collateral for that Claim or satisfied by the surrender of the Collateral for that
24 Claim, shall be treated as a Class 5 general unsecured claim against that BCA, after appropriate
25 reduction for the value of the Collateral surrendered to Class 3.

4. BCA Class 4 – Other Secured Claims

21 The Liens securing each subclass of each BCA Class 4 will attach to the
22 proceeds of the sale of the Collateral securing that subclass that is sold to the Buyer, and shall
23 continue as Liens upon the Retained Assets of that BCA securing that subclass, to the extent they
24 are valid, enforceable Liens. In full satisfaction, settlement, release and discharge of, and in
25 exchange for, such Allowed Class 4 Secured Claims against that BCA, the holder will receive
26 the Proceeds of the sale of the Collateral owned by that BCA and securing that subclass of Class
27 4 that is sold to the Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of
28 such Collateral can be quantified, and shall receive either a physical turnover of the Retained
Assets that constitute Collateral for that Claim by the Final Secured Creditor Payment Date, or
payment of the Proceeds of any such Collateral sold prior to that date. In no event shall the total
distributions to any holder of an Allowed BCA Class 4 Claim exceed the Allowed amount of
such Claim. The amount of any Claim of a Class 4 Creditor that is not paid as a Class 4 Secured
Claim against that BCA or satisfied by the surrender of the Collateral for that Claim, shall be

1 treated as a Class 5 general unsecured claim against that BCA after appropriate reduction for the
2 value of the Collateral surrendered to the holder of that Allowed Class 4 Claim.

3 5. BCA Class 5 – Unsecured Claims

4 After full payment to Priority Claims and the Allowed Secured Claims of
5 that BCA in Classes 2 through 4, inclusive, the Holder of an Allowed Class 5 Claim against each
6 BCA will receive a Pro Rata distribution from the remaining Estate Funds of that BCA.

7 6. BCA Class 6 – Preferred Equity Securities Issued by that BCA

8 The holders of BCA Class 6 Interests will not receive or retain any
9 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

10 7. BCA Class 7 – Common Equity Securities Issued by that BCA

11 The holders of BCA Class 7 Interests will not receive or retain any
12 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

13 8. BCA Class 8 –Options, Warrants and Rights Issued by that BCA

14 The holders of BCA Class 8 Interests will not receive or retain any
15 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

16 9. BCA Class 9 – Securities Claims

17 The holders of BCA Class 9 Claims will not receive or retain any property
18 under the Plan.

19 **E. Special Provision Regarding Unimpaired Claims**

20 Except as otherwise provided in the Plan, nothing shall affect the Debtors' rights
21 and defenses, both legal and equitable, with respect to any Claims, including, but not limited to,
22 all rights with respect to legal and equitable defenses to Setoffs or recoupments against Claims.

23 **F. Post-Petition Interest, Fees and Costs**

24 Interest on and fees and expenses, if any, with respect to any Allowed Secured
25 Claim, including, but not limited to unpaid professional fees due the holders of such Claims,
26 shall be paid only to the extent permitted by Section 506(b) of the Bankruptcy Code from the
27 Proceeds of the Collateral securing such Claims. Allowance thereof shall be determined
28 separately for each Class and each subclass. Any interest, fees and expenses paid during
pendency of these Cases to the holder of any Allowed Secured Claim that are not allowable
pursuant to Section 506(b) of the Bankruptcy Code shall be credited against and shall reduce the
principal amount of any such Allowed Secured Claim. All payments made during the Chapter
11 Cases to the 1996 Lenders, the 1995 Lenders or the agents or professionals of the 1996
Lenders or the 1995 Lenders shall be applied to reduce the principal amount of their Allowed
Secured Claims.

1 Except as otherwise provided in this Plan, or in an order of the Bankruptcy Court,
2 no holder of an Allowed Claim shall be entitled to the accrual of post-petition interest or the
3 payment by the Debtors of post-petition interest or professional fees on account of such Claim
4 for any purpose.

4 **G. Modifications to 1996 Lender Treatment.**

5 The 1996 Lenders may, at any time after the Effective Date, (i)(x) by a vote of
6 more than 50% in dollar amount of the 1996 Lenders, consent to the Plan Trustee's use of up to
7 the threshold limit agreed upon by the 1996 Lenders prior to the Disclosure Statement hearing
8 (the "Threshold") of the Proceeds of 1996 Collateral to fund administrative expenses of the Plan
9 Trust, and (y) by a vote of at least 66-2/3% in dollar amount of the 1996 Lenders consent to the
10 Plan Trustee's use of amounts in excess of the Threshold to fund the administrative expenses of
11 the Plan Trust, and (ii) by a vote of at least 66-2/3% in dollar amount and more than 50% in
12 number of the 1996 Lenders, permit portions of the distributions to the 1996 Lenders pursuant to
13 this Article III to be distributed to other Creditors or classes of Creditors.

11 **IV. MEANS FOR IMPLEMENTATION OF THE PLAN**

12 **A. Sale To The Buyer**

13 As of the Closing Date (or such later date no later than May 19, 2000, if the Buyer
14 elects to delay the transfer of title to certain assets), except as otherwise provided in the Asset
15 Purchase Agreement, the assets acquired by the Buyer will be transferred to the Buyer free and
16 clear of Liens and Claims (with valid Liens to attach to the Cash Consideration). The Proceeds
17 from the Sale will be received on the Closing Date regardless of whether the transfer of any
18 assets is delayed and will be used to pay all Allowed Claims that must be paid on the Initial
19 Distribution Date.

18 **B. Creation Of The Plan Trust**

19 The Plan provides for the creation of a Plan Trust and the appointment of a Plan
20 Trustee to collect, administer and distribute in accordance with the terms of the Plan: (i) the Cash
21 Consideration, (ii) any assets to be sold under the Asset Purchase Agreement the transfer of
22 which is deferred (at the Buyer's option), subject to the Management Agreement, (iii) the
23 Retained Assets, including without limitation all retained insurance policies (including all of the
24 Debtors' rights in policies insuring their officers and directors), and (iv) the proceeds of the
25 Retained Assets. The terms of the Plan Trust will be controlled by the Trust Agreement, a copy
26 of which will be filed with the Bankruptcy Court not less than ten days before the Confirmation
27 hearing. All consideration under the Asset Purchase Agreement will be transferred to the Plan
28 Trust, and all Retained Assets will be transferred to the Plan Trust, subject to all valid and
enforceable Liens. The Plan Trust shall be deemed to be the successor to the Debtors.
Whenever the Plan or the Asset Purchase Agreement require or permit notice to any of the
Debtors after the Effective Date, such notice shall be effective only when given to the Plan
Trustee and the Plan Trustee shall have the right to take all actions that the Debtors would have
had the right to take if they had not been dissolved on the Effective Date.

1 The Plan Trustee must satisfy the disinterestedness requirements of §101(14) of
2 the Code. The Plan Trustee will initially be appointed by the Court in the Confirmation Order.
3 The Plan Trustee will act as the Estates' representative for all purposes, and will be responsible
4 for (i) controlling and managing the consideration received from the Buyer and all Retained
5 Assets, (ii) monetizing Retained Assets, (iii) filing, prosecuting and settling claim objections, (iv)
6 administering the disputed claim reserve, (v) prosecuting and settling Estate causes of action, (vi)
7 making distributions in accordance with the terms of the Plan, and (vii) winding-up and closing
8 the Plan Trust. The Plan Trustee's compensation will be approved by the Court. Any successor
9 Plan Trustee will be appointed pursuant to the provisions of the Trust Agreement and approved
10 by the Bankruptcy Court. The Plan Trustee will be authorized to employ legal and accounting
11 professionals employed by the Debtors pre-confirmation, as well as such other professionals as
12 may be approved by the Bankruptcy Court or the Plan Oversight Committee, including without
13 limitation employment of professionals on a contingent fee basis for the purpose of prosecuting
14 causes of action transferred to the Trust.

15 Nothing contained herein or in the Trust Agreement shall limit the right of the
16 Plan Trustee to seek authority to surrender Collateral to any holder of a valid, enforceable,
17 perfected Lien on that Collateral, and nothing shall limit the rights of any Secured Creditor to
18 request either a vacation of any applicable stay against the enforcement of its rights against
19 Collateral in the possession of the Plan Trustee or object to the Plan Trustee's proposed use or
20 sale of Collateral or the right of the Plan Trustee to oppose any such request. The provisions of
21 Code Sections 361, 363 and 364 shall apply to the Plan Trustee's use or sale of Collateral
22 hereunder.

23 The Plan provides for the appointment of a Plan Oversight Committee not less
24 than ten days before the Confirmation Hearing. The Plan Oversight Committee will consist of
25 up to five individuals. Three members of the Plan Oversight Committee will be selected by the
26 1996 Lenders, one member will be selected by the Creditors' Committee, and one member will
27 be selected by the 1995 Lenders. The three original members of the Plan Oversight Committee
28 shall be identified by the 1996 Lenders not less than ten days before the Confirmation Hearing.
The 1995 Lenders and the Creditors' Committee each may name a member of the Plan Oversight
Committee at any time. If they fail to name members, the Plan Oversight Committee shall
function without such additional members. If any member of the Plan Oversight Committee
resigns or is unable to serve, the parties responsible for appointing that individual may appoint a
replacement. In the case of the resignation or incapacity of the Plan Oversight Committee
member appointed by the Creditors' Committee, the replacement shall be selected by the
majority vote of the three indenture trustees for the Class 6 Debentures. The Plan Oversight
Committee shall cease to function if it has fewer than three members for any 30 consecutive
days.

25 The Plan Trustee will consult with the Plan Oversight Committee on a regular
26 basis and inform the Plan Oversight Committee of actions that the Plan Trustee is pursuing and is
27 planning to pursue in connection with the discharge of the Plan Trustee's duties. The Plan
28 Trustee will exercise independent business judgment with respect to the administration of the
Plan Trust. The Plan Trustee may settle claims held by the Plan Trust or use or transfer any
interests in assets owned by the Plan Trust subject to obtaining a Final Order of the Bankruptcy
Court authorizing the Plan Trustee to take such actions. A request for Bankruptcy Court

1 authority to use or transfer Plan Trust property or settle any significant causes of action shall be
2 governed by Bankruptcy Code § 363 (including Bankruptcy Code section 363(f) with respect to
3 Lien to adequate protection of that Lien).

4 In lieu of such a Bankruptcy Court Order, the Plan Trustee may take such actions
5 with the consent of a majority in number of the members of the Plan Oversight Committee
6 allowed to vote on the matter; provided, however, that individual members of the Plan Oversight
7 Committee shall recuse themselves from voting on proposed action by the Plan Trustee that
8 involves either an objection to Claims (including Priority Claims or Secured Claims) held by
9 such members or the initiation of an action(s) against such members. The Plan Trustee cannot
10 use Collateral or transfer any interest in Collateral without either: (i) a Final Order of the
11 Bankruptcy Court authorizing such a use or transfer; or (ii) consent of every Creditor holding an
12 Allowed Claim secured by a Lien on that Collateral; provided, however, that the consent of the
13 1996 Lenders will be conclusively deemed to have been given if such consent is given by the
14 holders of at least 66-2/3% in dollar amount and more than 50% in number of the 1996 Lenders.

15 The Plan Trustee may propose an allocation of the Cash Consideration among the
16 various Secured Creditors holding Liens on assets sold to the Buyer and the Estate Funds. The
17 Plan Oversight Committee shall not be responsible for assisting the Plan Trustee in formulating
18 any such allocation proposal or commenting thereon. The allocation proposal will become
19 effective only if it is approved by a Final Order of the Bankruptcy Court, after notice to all such
20 holders of Allowed Secured Claims and the members of the Plan Oversight Committee.

21 **C. Replacement Lien to 1996 Lenders.**

22 In consideration of the 1996 Lenders' consent to the use of Proceeds of the 1996
23 Lenders' Collateral to fund the payment of Priority Claims, the 1996 Lenders shall be granted a
24 Lien on all Estate Funds and unencumbered Retained Assets to secure payment of the 1996
25 Lenders' Reimbursement Claims; provided, however, that adequate arrangements must be made
26 to enable the Plan Trustee to pay the reasonable and necessary expenses of administering the
27 Plan Trust. See Section IX. The Lien granted herein shall be fully perfected and effective upon
28 the entry of the Confirmation Order without further action by the 1996 Lenders, the Debtors or
the Plan Trustee. Without limiting the foregoing, the 1996 Lenders shall not be required to file
financing statements or security agreements to perfect such Liens.

D. Distribution of Proceeds from Sale to Buyer.

The Cash Consideration from Buyer shall be delivered to the Plan Trustee subject
to all valid and enforceable Liens thereon. The Proceeds shall be allocated among the Collateral
for the Claims for each holder of an Allowed Secured Claim and the unencumbered assets of
each Estate, either by mutual agreement of the parties, subject to approval by the Bankruptcy
Court, or by determination of the Bankruptcy Court regarding the appropriate allocation of such
Proceeds. As soon as practicable after the allocation of the Proceeds has been approved or
established by a Final Order of the Bankruptcy Court, the Plan Trustee shall make the following
distributions from the Proceeds:

1 1. The Proceeds of the Collateral securing the 1995 Lenders' Allowed
2 Secured Claims shall be delivered to the holders of such Claims on a Pro Rata basis;

3 2. The Proceeds of the Collateral securing all other Allowed Secured Claims,
4 except the 1996 Lenders' Allowed Secured Claims (i.e., Allowed Claims in BCI Class 4, BCREI
5 Class 3, and each BCA Class 4), including each subclass of each such Class shall be distributed
6 to the holders of Allowed Claims in said Classes, as soon as practicable after the Allowed
7 amount of such Claims has been determined;

8 3. All payments required to be made to the holders of BCI Unclassified
9 Priority Claims and Allowed Claims in BCI Class 1, shall be made on the Initial Distribution
10 Date, first from BCI's Estate Funds, and thereafter from the Proceeds of the 1996 BCI Collateral;

11 4. All payments required to be made to the holders of BCREI Unclassified
12 Priority Claims and Allowed Claims in BCREI Class 1, shall be made on the Initial Distribution
13 Date, first from the BCREI Estate Funds, and thereafter from the Proceeds of the 1996 BCREI
14 Collateral;

15 5. All payments required to be made to the holders of Unclassified Priority
16 Claims against each Boston Chicken Affiliate and Allowed Claims in Class 1 with respect to
17 each Boston Chicken Affiliate, shall be made on the Initial Distribution Date, first from that
18 Boston Chicken Affiliate's Estate Funds, and thereafter from the Proceeds of the 1996 BCA
19 Collateral of that BCA;

20 6. Establishment of the Administrative Reserve in an amount approved by
21 the Bankruptcy Court, to pay reasonably projected expenses of administering the Plan Trust,
22 from the Collateral securing Allowed Claims of the 1996 Lenders;

23 7. The Net Proceeds of the Collateral securing the 1996 Lenders' Secured
24 Claims that is sold to the Buyer, after all of the payments required by paragraphs 3 through 5,
25 inclusive, and the establishment of a reserve under Paragraph 6, shall be distributed to the 1996
26 Lenders to be applied against their Allowed Secured Claims.

27 The foregoing provides for the distribution of the Cash Consideration from the
28 sale to the Buyer.

 If there remain any Estate Funds after the distributions described in
Paragraphs 1 through 7, inclusive, such excess shall be distributed as soon as practicable in the
following order of priorities:

(1) Payment of the 1996 Lenders Reimbursement Claim;

(2) Payment of the remaining balance of the Allowed Adequate
Protection Obligations, if any; and

(3) Any remaining Estate Funds after the foregoing distributions will
be treated as Estate Funds of the Debtor that owned the assets generating those Estate Funds.

1 **E. Disposition of Retained Assets.**

2 The Plan Trustee shall seek to liquidate the Retained Assets for the purpose of
3 distributing the Proceeds thereof to those Creditors entitled thereto under the Plan. If the Plan
4 Trustee concludes, in the exercise of reasonable business judgment, that it is appropriate to
5 surrender to any Secured Creditor part or all of the balance of that Creditor's Collateral that
6 constitutes part of the Retained Assets, in partial or complete satisfaction of the remaining
7 Allowed Claims of that Secured Creditor, or to allow any Secured Creditor to enforce a Lien
8 against any of the Retained Assets in accordance with applicable law, the Plan Trustee may do so
9 and the value of the Collateral so surrendered or with respect to which enforcement of Liens is
10 permitted, shall be applied against the Creditors Allowed Secured Claim. If the Plan Trustee
11 liquidates some or all of the Collateral for any Allowed Secured Claim, the Plan Trustee shall
12 promptly distribute the Proceeds of any such liquidation to the Secured Creditor with the senior-
13 most Lien that secures an Allowed Claim that has not yet been fully satisfied. If allocation of
Proceeds among Secured Creditors is required, that allocation shall be made either by mutual
agreement of all parties asserting a Lien against such Proceeds and the Plan Trustee, or by Final
Order of the Bankruptcy Court; provided, however, that the consent of the 1996 Lenders will be
conclusively be deemed to have been given if such consent is given by the holders of at least 66-
2/3% in dollar amount and more than 50% in number of the holders of such Claims. Each
distribution under this Section shall be applied against the Allowed Secured Claims of the
recipients.

14 The Plan Trustee shall also seek to liquidate and convert into Cash all
15 unencumbered assets, including without limitation causes of action vested in the Plan Trust.
16 From the Cash recoveries from such assets, the Plan Trustee may replenish the Administrative
17 Reserve in such amount as may be approved by the majority of the Plan Oversight Committee or
by the Bankruptcy Court, and shall thereafter distribute the Estate Funds as follows:

- 18 1. To pay the 1996 Lenders' Reimbursement Claim, if any, until paid in full;
- 19 2. To pay the Adequate Protection Obligations, if any, until paid in full; and
- 20 3. Pro Rata to the holders of Allowed Unsecured Claims according to the
21 formulas set forth in Sections III.B.5, III.B.8, III.C.4., and III.D.5., above.

22 The Plan Trustee may make interim distributions to all Classes then
23 entitled to such a distribution at any time that the Plan Trustee concludes, with the consent of the
24 Plan Oversight Committee or a Final Order of the Bankruptcy Court, that such a distribution is
25 appropriate. The Plan Trustee shall make interim distributions promptly whenever the Plan
Trustee has \$1,000,000 available for distribution or at such other time as the Bankruptcy Court
determines such a distribution is appropriate based on a request of a Creditor after notice to the
Plan Trustee.

26 To the extent that the Estate Funds are not sufficient to result in any
27 distribution to Unsecured Creditors, the Plan Trustee need not allocate the funds received among
28 the Estates of the Debtors. To the extent that there are remaining Estate Funds available for
distribution to the holders of Allowed Unsecured Claims, the Estate Funds will be allocated

1 among the Debtors' Estates based on the consideration actually received for the assets of each
2 Debtor or, to the extent such assets are liquidated jointly, based on the relative fair market value
3 of the assets liquidated jointly.

4 **F. Termination of Plan Trust.**

5 Upon the distribution of all assets vested in the Plan Trust and the preparation and
6 filing of any tax returns required of the Plan Trust, the Plan Oversight Committee and the Plan
7 Trust shall be terminated and the Plan Trustee and members of the Plan Oversight Committee
8 shall have no further responsibilities or duties.

9 **G. Dissolution of the Debtors.**

10 BCI, BCREI and the Boston Chicken Affiliates shall not continue to exist after
11 the Effective Date as separate legal entities, in accordance with the applicable law in the
12 respective jurisdictions in which they are formed or incorporated. Section 303(a) and (b) of the
13 Delaware General Corporation Law allows a Delaware corporation to provide for its dissolution
14 in a Chapter 11 plan of reorganization. The Confirmation Order will effectuate such dissolution
15 and dissolution for BCI, BCREI and each Boston Chicken Affiliate will become final on the
16 Effective Date. Section 303 also provides that the dissolutions provided for in this Plan will
17 require no further action on the part of either the Interest holders or directors, and that the
18 dissolutions will be deemed to be effectuated and taken by unanimous action of all necessary
19 parties. To the extent the Debtors deem it necessary or appropriate they may take any steps that
20 will facilitate such dissolution in compliance with applicable law.

21 **H. Corporate Actions**

22 On the Effective Date, except as otherwise provided for herein, the Existing
23 Securities and any other note, bond, indenture, or other instrument or document evidencing or
24 creating any indebtedness or obligation of a Debtor shall be canceled, *provided, however*, that
25 each agreement that governs the rights of the holder of a Claim and that is administered by an
26 agent or a servicer shall continue in effect solely for the purposes of (i) allowing such agent or
27 servicer to make the distributions to be made on account of such Claims under the Plan as
28 provided in Article III hereof and to perform such other administrative functions with respect to
the rights and obligations of the relevant holders as are provided for in the relevant instrument or
document and (ii) permitting such agent or servicer to maintain any rights or Liens it may have
for fees, costs and expenses under such agreement; *provided, further*, that the provisions of
clause (ii) of this paragraph shall not result in any expense or liability to any Debtor or the Plan
Trust. The Debtor and the Plan Trustee shall not have any obligations to any agent or servicer
(or to any successor agent or servicer) for any fees, costs or expenses, except as expressly
provided in this Article IV.H; *provided, however*, that nothing herein shall preclude such
indenture, trustee, agent or servicer (or any successor agent or servicer) from being paid or
reimbursed for pre-petition and post-petition fees, costs and expenses from the distributions until
payment in full of such fees, costs or expenses that are governed by the respective agreement in
accordance with the provisions set forth therein.

Any actions taken by an indenture trustee, an agent, or a servicer that are not for the purposes authorized in this Article IV.H of the Plan shall not be binding upon the Debtors. Each indenture of a Claim in BCI Class 6 and the authority of each indenture trustee is terminated as of the Effective Date.

I. Directors And Officers

The existing officers and the board of directors of the corporate Debtors and the position of certain of the corporate Debtors that serve in turn as managing members and general partners of the non-corporate Debtors shall cease to serve in their current capacities at 11:59 p.m. on the Effective Date. On the Effective Date, the term of the current board of directors of each Debtor shall expire and the position of each officer, managing member and general partner shall terminate.

J. Preservation Of Rights Of Action; Settlement of Litigation Claims

Except as otherwise provided in this Plan or the Confirmation Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, in accordance with Section 1123(b) of the Bankruptcy Code, the Plan Trustee shall become vested with and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of actions, suits, and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or the Estates may hold against any person or entity. The Plan Trustee on behalf of each Debtor may pursue such retained claims, rights or causes of action, suits, or proceedings as appropriate, in accordance with the best interests of the beneficiaries of the Plan Trust.

K. Exclusivity Period

The Debtors or the Plan Trustee shall retain the right to amend or modify the Plan, and to solicit acceptances of any amendments to modifications of the Plan, through and until the substantial consummation of the Plan.

L. Effectuating Documents; Further Transactions

On or before the Effective Date, the chairman of the board of directors, president, chief financial officer, general counsel or any other appropriate officer of each Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the secretary or assistant secretary of each Debtor shall be authorized to certify or attest to any of the foregoing actions. After the Effective Date, the Plan Trustee shall be authorized to perform such acts.

M. Termination Of DIP Facility

The DIP Facility shall be terminated and of no further force and effect upon payment in full on the Initial Distribution Date, except as necessary to preserve any indemnification rights under the DIP Facility and to evidence and maintain the Liens granted pursuant to (i) any Final Order authorizing BCI's entry into the DIP Facility and (ii) the various

1 agreements approved thereby; *provided, however*, that the Liens securing the DIP Facility shall
2 remain in full force and effect until the DIP Facility is repaid in full in Cash.

3 **N. Exemption From Certain Transfer Taxes**

4 Pursuant to Section 1146(c) of the Bankruptcy Code, any transfers from a Debtor
5 to Buyer or entity pursuant to the Plan shall not be subject to any document recording tax, stamp
6 tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax,
7 mortgage recording tax or other similar tax or governmental assessment. The Confirmation
8 Order shall direct the appropriate state or local governmental officials or agents to forego the
9 collection of any such tax or governmental assessment and to accept for filing and recordation
10 any of the foregoing instruments or other documents without the payment of any such tax or
11 governmental assessment.

12 **V. ACCEPTANCE OR REJECTION OF THE PLAN**

13 **A. Classes Entitled To Vote**

14 Each Impaired Class of Claims or Interests that is likely to receive or retain
15 property or any interest in property under the Plan shall be entitled to vote to accept or reject the
16 Plan. By operation of law, each Unimpaired Class of Claims is deemed to have accepted the
17 Plan and, therefore, is not entitled to vote to accept or reject the Plan and each Class that will
18 receive nothing under the Plan is deemed to have rejected the Plan. The Debtors believe that
19 BCI Classes 6, 7, and 9 through 12, inclusive, BCREI Classes 5 and 6, and Classes 6 through 9,
20 inclusive, of each BCA will receive nothing under the Plan, and that accordingly they should be
21 deemed to have rejected the Plan.

22 **B. Acceptance By Impaired Classes**

23 An Impaired Class of Claims shall have accepted the Plan if, of the Claims
24 actually voting, the holders (other than any holder designated under Section 1126(e) of the
25 Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims and more than 50% in
26 number of the Allowed Claims have voted to accept the Plan.

27 **C. Cramdown**

28 BCI shall request Confirmation of the Plan, as it may be modified from time to
time, under Section 1129(b) of the Bankruptcy Code. BCI reserves the right to modify the Plan
so long as such modifications comply with Section 1127 of the Bankruptcy Code.

29 **VI. PROVISIONS GOVERNING DISTRIBUTIONS**

30 **A. Distributions For Claims Allowed As Of The Effective Date**

31 Except as otherwise provided herein or as ordered by the Bankruptcy Court,
32 distributions to be made on account of Claims that are Allowed Claims as of the Effective Date
33 shall be made on the Initial Distribution Date, or as soon thereafter as practicable. Distributions
34

on account of Claims that first become Allowed Claims after the Effective Date shall be made pursuant to Articles III, VII, and IX of this Plan.

B. Interest On Claims

Unless otherwise specifically provided for in this Plan or the Confirmation Order, or required by applicable bankruptcy law, post-petition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Petition Date to the date a final distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

C. Cancellation Of Securities Or Instruments

On the Effective Date, all instruments evidencing a Claim on account of Debentures and all instruments evidencing an Interest in any of the Debtors shall be revoked and rendered null, void and unenforceable.

D. Means Of Cash Payment

Cash payments made pursuant to this Plan shall be in U.S. funds by the means agreed to by the payor and the payee, including by check or wire transfer, or, in the absence of an agreement such commercially reasonable manner as the payor shall determine in its sole discretion; *provided, however*, that any Cash payment in excess of \$1,000,000 shall, notwithstanding the foregoing, be effected by wire transfer.

E. Delivery Of Distributions

Distributions to holders of Allowed Claims shall be made by the Plan Trustee or the Plan Trustee's agent (a) at the addresses set forth on the proofs of Claim filed by such holders (or at the last known addresses of such holders if no proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Plan Trustee after the date of any related proof of Claim, (c) at the addresses reflected in the Schedules if no proof of Claim has been filed and neither the Debtor nor the Plan Trustee has received a written notice of a change of address, or (d) in the case of the holder of a Claim that is governed by an indenture or other agreement and is administered by an indenture trustee, agent, or servicer, at the addresses contained in the official records of such indenture trustee, agent, or servicer. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the Plan Trustee or the appropriate indenture trustee, agent, or servicer is notified of such holder's then current address, at which time all missed distributions shall be made to such holder without interest. Amounts in respect of undeliverable distributions made through the Plan Trustee, agent, or servicer, shall be returned to the Plan Trustee until such distributions are claimed. All claims for undeliverable distributions must be made on or before the second (2nd) anniversary of the Effective Date, after which date, all unclaimed property shall be distributed as follows, and the claim of any holder or successor to such holder with respect to such property shall be discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary: (a) to the 1996 Lenders if they have not received payment in full of both the Adequate Protection

Obligations and the 1996 Lenders' Reimbursement Claims; or (b) if the foregoing amounts have been paid, to the holders of Allowed Unsecured Claims against the Debtor whose property remains unclaimed, in the manner described in Section III, above.

F. Fractional Dollars; De Minimis Distributions

Any other provision of the Plan notwithstanding, payments of fractions of dollars shall not be made. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half-dollars being rounded down. The Plan Trustee, or any agent or servicer, as the case may be, shall not make any payment of less than twenty-five dollars (\$25.00) with respect to any Claim unless a request therefor is made in writing to the Plan Trustee.

G. Withholding And Reporting Requirements

In connection with this Plan and all distributions hereunder, the Plan Trustee shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Plan Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

H. Setoffs

The Plan Trustee may, but shall not be required to, set off against any Claim and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever that the Debtors may have against the holder of such Claim; *provided, however*, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Plan Trustee of any such claim that the Debtors may have against such holder that may be transferred to the Plan Trust.

VII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumed Contracts

The Confirmation Order will provide for the assumption of those Executory Contracts specified on Schedules 1.1.4 Part A and 1.1.8 Part A to the Asset Purchase Agreement. These Schedules may be modified anytime prior to _____ days before the Confirmation Hearing. All such assumed Executory Contracts shall be assigned to the Buyer. The Buyer may elect to complete that assignment on the Effective Date or on any other date on or before May 19, 2000, but the Buyer will be liable for all performance thereunder after the Effective Date pursuant to the Management Agreement, regardless of the date the assignment becomes effective.

Each Executory Contract that is assumed and relates to the use, ability to acquire, or occupancy of real property shall include (a) all modifications, amendments, supplements,

1 restatements, or other agreements made directly or indirectly by any agreement, instrument, or
2 other document that in any manner affect such executory contract or unexpired lease and (b) all
3 Executory Contracts appurtenant to the premises, including all easements, licenses, permits,
4 rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement
5 agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real
6 estate or rights *in rem* related to such premises, unless any of the foregoing agreements has been
7 rejected pursuant to any order of the Bankruptcy Court that may be entered prior to, at or after
8 Confirmation, including the Confirmation Order.

9 In addition, to the extent that any of the insurance policies to be vested in the Plan
10 Trust hereunder is deemed to be an Executory Contract, each such policy is assumed hereunder.

11 **B. Payments Related To Assumption Of Executory Contracts**

12 Any monetary amounts by which each Executory Contract to be assumed
13 pursuant to the Plan is in default shall be satisfied, under Section 365(b)(1) of the Bankruptcy
14 Code, at the option of the Debtor party to the Executory Contract (or the Plan Trustee) or the
15 assignee of such Debtor party assuming such Executory Contract, by Cure. If there is a dispute
16 regarding (i) the nature or amount of any Cure, (ii) the ability of assignee to provide “adequate
17 assurance of future performance” (within the meaning of Section 365 of the Bankruptcy Code)
18 under the Executory Contract to be assumed, or (iii) any other matter pertaining to assumption,
19 the dispute will be brought before the Bankruptcy Court and Cure shall occur following the entry
20 of a Final Order resolving the dispute and approving the assumption and assignment.

21 **C. Executory Contracts to be Assumed**

22 Because the Buyer has not yet decided whether it wishes to accept an assignment
23 of the Executory Contracts listed on Schedules 1.1.4 Part B and 1.1.8 Part B to the Asset
24 Purchase Agreement, these Executory Contracts shall remain property of the Estates and shall
25 neither be assumed nor rejected in the Confirmation Order. As to each such Executory Contract,
26 the Buyer shall provide all performance required of the Debtor party thereto from the Effective
27 Date until and unless such Executory Contract is assumed or rejected, pursuant to the provision
28 of an interim Management Agreement that shall be filed with the Bankruptcy Court at least ten
days before the Disclosure Statement hearing. Not later than May 19, 2000, the Debtors or the
Plan Trustee shall file a motion to assume or reject each such Executory Contract.

To protect the non-Debtor party to each such Executory Contract from any
prejudice, it shall be deemed to have an estimated Unsecured Claim against the Estate of the
Debtor party to that Executory Contract in an amount equal to the Claim that would arise if the
Executory Contract were rejected, solely for voting purposes. Unless the non-Debtor party to
such an Executory Contract files a proof of claim prior to the voting deadline established by the
Bankruptcy Court that estimated Unsecured Claim shall be in the amount of: (i) for Executory
Contracts that are not leases of real property, \$100, and (ii) for leases of real property, the rent
reserved under that lease, without acceleration, for one year after the Effective Date. No
distributions to holders of Allowed Unsecured Claims shall be made until all such Executory
Contracts have been assumed or rejected and the deadline for filing rejection damage Claims has
passed, so that the non-Debtor parties to rejected Executory Contracts can file proofs of Claim.

1 **D. Rejected Executory Contracts**

2 Except as otherwise provided in the Plan or in the Confirmation Order, or in any
3 contract, instrument, release, indenture or other agreement or document entered into in
4 connection with the Plan, as of the Effective Date each Debtor shall be deemed to have rejected
5 each Executory Contract to which it is a party, unless such contract or lease (i) was previously
6 assumed or rejected by such Debtor, (ii) previously expired or terminated pursuant to its own
7 terms, (iii) is set forth on Schedule 1.1.4 Parts A or B or Schedule 1.1.8 Parts A or B to the Asset
8 Purchase Agreement, or (iv) is the subject of a motion to assume filed on or before the
9 Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court
10 under Section 365 of the Bankruptcy Code approving the Executory Contract rejections
11 described above, as of the Effective Date.

12 Any Claim arising from the Debtor's rejection of an Executory Contract will be
13 classified as a General Unsecured Claim in the case of the Debtor that is the party to that
14 Executory Contract. In the case of BCI, such Claims shall be Class 8 Claims.

15 **E. Bar To Rejection Damages**

16 If the rejection by a Debtor, pursuant to the Plan or otherwise, of an Executory
17 Contract results in a Claim that is not theretofore evidenced by a timely filed proof of Claim or a
18 proof of Claim that is deemed to be timely filed under applicable law, then such Claim shall be
19 forever barred and shall not be enforceable against any Debtor, or the properties of any of them
20 unless a proof of Claim is filed with the clerk of the Bankruptcy Court and served on counsel for
21 the Debtors or the Plan Trustee within thirty (30) days after service of the earlier of (i) notice of
22 entry of the Confirmation Order (as to Executory Contracts rejected therein), or (ii) other notice
23 that the Executory Contract has been rejected.

24 **F. Compensation And Benefit Programs**

25 Employee Executory Contracts described in Section 1.1.4 of the Purchase
26 Agreement, may be assumed and assigned to the Buyer or rejected by BCI, pursuant to the
27 provisions of the Asset Purchase Agreement. Each employee pension plan and employee
28 welfare benefit plan as defined in section 3 of ERISA, and each vacation plan and other
employment practice, policy, fringe benefit, and perquisite of any kind of the Debtors shall,
unless prohibited by law, be terminated immediately prior to the Effective Date in accordance
with applicable law.

 As of the Effective Date, the Buyer shall offer employment to: (a) each of the
Debtors' hourly store employees who, on the Effective Date, is an Employee in Good Standing;
(b) each of the Debtors' regular salaried store and staff employees and hourly staff employees
who, on the Effective Date, is an Employee in Good Standing.

 In the event that Buyer fails to offer employment as of the Effective Date to any
of the foregoing employees, Buyer will pay to each such employee an amount of severance
payable to such employee under the terms of Severance Program 1, in Cash. In the event that
after the Effective Date, Buyer terminates the employment of any of those employees of the

1 Debtors initially employed by Buyer; Buyer will provide those employees with the severance
2 benefits designated in the Asset Purchase Agreement.

3 **VIII. PROCEDURES FOR RESOLVING DISPUTED,** 4 **CONTINGENT, AND UNLIQUIDATED CLAIMS**

5 **A. Objection Deadline; Prosecution Of Objections**

6 As soon as practicable, but in no event later than 120 days after the later of: (i)
7 the Effective Date, or (ii) the date the proof of Claim with respect thereto is filed or is last
8 amended, the Plan Trustee shall file objections to Secured Claims and Unclassified Priority
9 Claims with the Bankruptcy Court and serve such objections upon the holders of each of the
10 Claims to which objections are made. The Bankruptcy Court may extend the foregoing deadline.

11 At such time as it appears likely that Cash will be available for distribution to the
12 holders of non-priority Unsecured Claims against any one or more of the Debtors (BCI Classes 5
13 and 8, BCREI Class 4 and each BCA Class 5), the Plan Trustee may prosecute such objections to
14 the Unsecured Claims filed against such Debtor(s) as the Plan Trustee concludes are prudent.
15 There shall be no 120-day deadline on filing such objections.

16 **B. No Distributions Pending Allowance**

17 Notwithstanding any other provision of the Plan, no payments or distributions
18 shall be made with respect to all or any portion of a Disputed Claim unless and until all
19 objections to such Disputed Claim have been settled or withdrawn or have been determined by
20 Final Order and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

21 **C. Distribution Reserve**

22 The Plan Trustee shall withhold the Distribution Reserve from the Cash or other
23 property to be distributed under the Plan. As to any Disputed Claim, upon a request for
24 estimation by the Plan Trustee, the Bankruptcy Court shall determine what amount is sufficient
25 to withhold as the Distribution Reserve. The Plan Trustee may request estimation for every
26 Disputed Claim that is unliquidated and the Plan Trustee shall withhold the Distribution Reserve
27 based upon the estimated amount of such Claim as set forth in a Final Order. If the Plan Trustee
28 elects not to request such an estimation from the Bankruptcy Court with respect to a Disputed
29 Claim that is liquidated, the Plan Trustee shall withhold the Distribution Reserve based upon the
30 Face Amount of such Claim. Nothing in the Plan or herein shall be deemed to entitle the holder
31 of a Disputed Claim to post-petition interest on such Claim and such holder shall not be entitled
32 to any such interest.

33 If practicable, the Plan Trustee shall invest any Cash that is withheld as the
34 Distribution Reserve in a manner that shall yield a reasonable net return, taking into account the
35 safety of the investment.

1 **D. Distributions After Allowance**

2 The Plan Trustee shall make payments and distributions from the Distribution
3 Reserve to each holder of a Disputed Claim that has become an Allowed Claim in accordance
4 with the provisions of the Plan governing the Class of Claims to which such holder belongs. On
5 the next succeeding interim distribution date after the date that the order or judgment of the
6 Bankruptcy Court allowing all or part of such Claim becomes a Final Order, the Plan Trustee
7 shall distribute to the holder of such Claim any Cash or other property in the Distribution
8 Reserve that would have been distributed on the Initial Distribution Date had such Allowed
9 Claim been allowed on the Initial Distribution Date.

10 **IX. CONDITIONS PRECEDENT TO CONFIRMATION**
11 **AND CONSUMMATION OF THE PLAN**

12 **A. Conditions To Confirmation**

13 A Confirmation Order in form and substance reasonably acceptable to the Debtors
14 and the Buyer is a condition precedent to confirmation of the Plan that must be either (i) satisfied
15 or (ii) waived in accordance with Article IX.C below.

16 Provision for an adequate funding mechanism for the reasonable costs and
17 expenses of the Plan Trust, including without limitation the Plan Trustee's compensation and out
18 of pocket expenses and all reasonable and necessary fees and costs payable to the Plan Trustee's
19 professionals, is a condition precedent to confirmation that can be waived only by the mutual
20 agreement of the Plan Trustee and the Debtors.

21 **B. Conditions To Consummation**

22 The following are conditions precedent to the occurrence of the Effective Date,
23 each of which must be (i) satisfied or (ii) waived in accordance with Article X. C below:

24 1. The Confirmation Order in form and substance reasonably acceptable to
25 the Debtors and the Buyer confirming the Plan, as the same may have been modified, must have
26 become a Final Order and must, among other things, provide that:

27 a. the Debtors or Plan Trustee are authorized and directed to take
28 actions necessary or appropriate to enter into, implement and consummate the contracts,
instruments, releases, leases and other agreements or documents created in connection with the
Plan or the Restructuring;

 b. the provisions of the Confirmation Order are nonseverable and
mutually dependent; and

 c. all Executory Contracts assumed or assumed and assigned by the
Debtors during the Chapter 11 Cases or under the Plan shall remain in full force and effect for
the benefit of the Debtors or their assignees notwithstanding any provision in such Executory
Contract (including those described in Sections 365(b)(2) and (f) of the Bankruptcy Code) that

1 prohibits such assignment or transfer or that enables, permits or requires termination of such
2 Executory Contract.

3 2. All actions, documents and agreements necessary to implement the Plan
4 shall have been effected or executed;

5 3. The Bankruptcy Court has entered a Final Order authorizing the Debtors
6 and the Plan Trustee to enter into the Management Agreement;

7 4. The sale to the Buyer has closed.

8 **C. Waiver Of Conditions**

9 Each of the conditions set forth above, may be mutually waived in whole or in
10 part by the Debtors in their sole and absolute discretion (except to the extent the Asset Purchase
11 Agreement requires the consent of the agents for the 1996 Lenders to any waiver of conditions
12 therein) and the Buyer, without any notice to parties in interest or the Bankruptcy Court and
13 without a hearing. The Debtors' waiver of any condition shall not be deemed a waiver of any
14 other condition.

15 **X. MODIFICATIONS AND AMENDMENTS**

16 The Debtors may alter, amend, or modify the Plan or any Exhibits thereto under Section
17 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. After the
18 Confirmation Date and prior to substantial consummation of the Plan, as defined in Section
19 1101(2) of the Bankruptcy Code, the Debtors or Plan Trustee may, under Section 1127(b) of the
20 Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or
21 omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the
22 Confirmation Order, and such matters as may be necessary to carry out the purposes and effects
23 of the Plan if the circumstances warrant such modifications; *provided, however*, that prior notice
24 of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the
25 Bankruptcy Court.

26 **XI. RETENTION OF JURISDICTION**

27 Under Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of
28 the Confirmation Order and occurrence of the Effective Date, the Bankruptcy Court shall retain
exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the
Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate or establish the
priority or secured or unsecured status of any Claim or Interest, including: (a) the resolution of
any request for payment of any Administrative Claim, (b) the resolution of and objections to the
allowance or priority of Claims or Interests, and (c) the allocation of Proceeds among the secured
creditors.

2. Hear and determine all applications for compensation and reimbursement
of expenses of Professionals under the Plan or under Sections 330, 331, 503(b), 1103 and

1 1129(a)(4) of the Bankruptcy Code; *provided, however*, that from and after the Effective Date,
2 the payment of the fees and expenses of the retained professionals of the Plan Trustee shall be
3 made in the ordinary course of business and shall not be subject to the approval of the
Bankruptcy Court;

4 3. Hear and determine all matters with respect to the assumption or rejection
5 of any Executory Contract or unexpired lease to which a Debtor is a party or with respect to
6 which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure
7 or the liquidation or allowance of any Claims arising therefrom and the motions to assume or
reject each such Executory Contract pursuant to Section VII.C., above, or to extend the time
during which the Debtors or the Plan Trustee can file such a motion;

8 4. Effectuate performance of and payments under the provisions of the Plan;

9 5. Hear and determine any and all adversary proceedings, motions,
10 applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11
11 Cases;

12 6. Enter such orders as may be necessary or appropriate to execute,
13 implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and
14 other agreements or documents created in connection with the Plan, the Disclosure Statement or
the Confirmation Order;

15 7. Hear and determine disputes arising in connection with the interpretation,
16 implementation, consummation or enforcement of the Plan, including disputes arising under
agreements, documents or instruments executed in connection with the Plan;

17 8. Consider any modifications of the Plan, cure any defect or omission, or
18 reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation,
the Confirmation Order;

19 9. Issue injunctions, enter and implement other orders, or take such other
20 actions as may be necessary or appropriate to restrain interference by any entity with
implementation, consummation, or enforcement of the Plan or the Confirmation Order;

21 10. Enter and implement such orders as may be necessary or appropriate if the
22 Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

23 11. Hear and determine any matters arising in connection with or relating to
24 the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release,
25 or other agreement or document created in connection with the Plan, the Disclosure Statement or
the Confirmation Order;

26 12. Enforce all orders, judgments, injunctions, releases, exculpations,
27 indemnifications and rulings entered in connection with the Chapter 11 Cases;

28 13. Recover all assets of the Debtors and property of the Debtors' Estates,
wherever located;

1 14. Hear and determine matters concerning state, local, and federal taxes in
2 accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;

3 15. Hear and determine such other matters as may be provided in the
4 Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the
5 Bankruptcy Code; and

6 16. Enter a final decree closing the Chapter 11 Cases.

7 **XII. COMPROMISES AND SETTLEMENTS**

8 Pursuant to Bankruptcy Rule 9019(a), the Debtors may compromise and settle various
9 Claims against them and/or claims that they may have against other persons. The Debtors
10 expressly reserve the right (with Bankruptcy Court approval, following appropriate notice and
11 opportunity for a hearing) to compromise and settle Claims against them and claims that they
12 may have against other persons up to and including the Effective Date. After the Effective Date,
13 such right shall pass to the Plan Trustee pursuant to the Plan.

14 **XIII. MISCELLANEOUS PROVISIONS**

15 **A. Bar Dates For Certain Claims**

16 1. Administrative Claims, Including Substantial Contribution Claims

17 The Confirmation Order will establish an Administrative Claims Bar Date
18 for filing of all Administrative Claims other than (i) indemnification claims preserved under
19 XIII.K. below, (ii) indemnification claims preserved under IV.M above, (iii) Adequate Protection
20 Obligations, and (iv) DIP Facility Claims, including Substantial Contribution Claims (but not
21 including Professional Fee Claims or the expenses of the members of the Creditors' Committee,
22 which date will be 45 days after the Confirmation Date. Holders of asserted Administrative
23 Claims, other than claims for Professional Fees or the expenses of the members of the Creditors'
24 Committee, not paid prior to the Confirmation Date must file and serve on the Debtors, the Plan
25 Trustee and their counsel proofs of Administrative Claim (or application for compensation or
26 reimbursement of expenses in the case of Substantial Contribution Claims) on or before such
27 Administrative Claims Bar Date or forever be barred from doing so. The notice of Confirmation
28 to be delivered pursuant to Bankruptcy Rule 3020(c) and 2002(f) will set forth such date and
constitute notice of this Administrative Claims Bar Date. The Debtors and the Plan Trustee shall
have 45 days (or such longer period as may be allowed by order of the Bankruptcy Court)
following the Administrative Claims Bar Date to review and object to such Administrative
Claims before a hearing for determination of allowance of such Administrative Claims.

29 2. Professional Fee Claims

30 All final requests for compensation or reimbursement of Professional Fees
31 pursuant to Sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services
32 rendered to the Debtors or the Creditors' Committee prior to the Effective Date (other than
33 Substantial Contribution Claims under Section 503(b)(4) of the Bankruptcy Code) must be filed
34 and served on the Plan Trustee and the Plan Trustee's counsel and those parties who have

1 requested special notice pursuant to Bankruptcy Rule 2002(i), no later than 45 days after the
2 Effective Date, unless otherwise ordered by the Bankruptcy Court.

3 **B. Payment of Statutory Fees**

4 All fees payable pursuant to Section 1930 of title 28 of the United States Code, as
5 determined by the Bankruptcy Court at the Confirmation shall be paid on or before the Effective
6 Date.

7 **C. Severability Of Plan Provisions**

8 If, prior to Confirmation, any term or provision of the Plan is held by the
9 Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of
10 any Debtor, shall have the power to alter and interpret such term or provision to make it valid or
11 enforceable to the maximum extent practicable, consistent with the original purpose of the term
12 or provision held to be invalid, void or unenforceable, and such term or provision shall then be
13 applicable as altered or interpreted. Notwithstanding any such holding, alteration or
14 interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and
15 effect and shall in no way be affected, impaired or invalidated by such holding, alteration or
16 interpretation. The Confirmation Order shall constitute a judicial determination and shall
17 provide that each term and provision of the Plan, as it may have been altered or interpreted in
18 accordance with the foregoing, is valid and enforceable pursuant to its terms.

19 **D. Successors And Assigns**

20 The rights, benefits and obligations of any entity named or referred to in the Plan
21 shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor
22 or assign of such entity. The Plan Trustee shall be deemed to be the successor to the Debtors
23 after the Effective Date.

24 **E. Committee**

25 On the Effective Date the duties of the Creditors' Committee and the Equity
26 Committee shall terminate, except with respect to any appeal of an order in the Chapter 11 Cases
27 and applications of the Creditors' Committee's professionals for Professional Fees.

28 **F. Exculpation And Limitation Of Liability**

Neither the Debtors nor any of their respective present or former partners,
members, officers, directors, employees, advisors, attorneys, or agents, shall have or incur any
liability to any holder of a Claim or an Interest, or any other party in interest, or any of their
respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any
of their successors or assigns, for any act or omission in connection with, relating to, or arising
out of, the Chapter 11 Cases, the sale of the Debtors' assets pursuant to the Asset Purchase
Agreement, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan,
the consummation of the Plan, or the administration of the Estates or of the Plan or the property
to be distributed under the Plan, and in all respects they shall be entitled to reasonably rely on the
advice of counsel with respect to their duties and responsibilities under the Plan.

1 Notwithstanding any other provision of this Plan, no holder of a Claim or Interest,
2 no other party in interest, none of their respective directors, officers, partners, members,
3 shareholders, agents, employees, representatives, financial advisors, attorneys, or affiliates, and
4 no successors or assigns of the foregoing, shall have any right of action against any Debtor, or
5 any of their respective present or former partners, members, officers, directors, employees,
6 advisors, attorneys, or agents, for any act or omission in connection with, relating to, or arising
7 out of the Chapter 11 Cases, the sale of the Debtors' assets pursuant to the Asset Purchase
8 Agreement, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan,
9 the consummation of the Plan, or the administration of the Estates or of the Plan or the property
10 to be distributed under the Plan, and in all respects they shall be entitled to reasonably rely on the
11 advice of counsel with respect to their duties and responsibilities under the Plan.

8 **G. Binding Effect**

9 The Plan shall be binding on and inure to the benefit of the Debtors, all present
10 and former holders of Claims against and Interests in the Debtors, their respective successors and
11 assigns, including, but not limited to, the Debtors, all other parties-in-interest in these Chapter 11
12 Cases, the Plan Trustee and the Plan Oversight Committee.

12 **H. Revocation, Withdrawal, Or Non-Consummation**

13 The Debtors reserve the right to revoke or withdraw the Plan at any time prior to
14 the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or
15 withdraw the Plan, or if Confirmation or Consummation does not occur, then (i) the Plan shall be
16 null and void in all respects, (ii) any settlement or compromise embodied in the Plan (including
17 the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or
18 rejection of executory contracts or leases effected by the Plan, and any document or agreement
19 executed pursuant to the Plan shall be deemed null and void, and (iii) nothing contained in the
20 Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be
21 deemed to constitute a waiver or release of any Claims by or against, or any Interests in, any
22 Debtor or any other person, (b) prejudice in any manner the rights of any Debtor or any person in
23 any further proceedings involving a Debtor, or (c) constitute an admission of any sort by any
24 Debtor or any other person.

21 **I. Plan Supplement**

22 Any and all exhibits, lists, or schedules not filed with the Plan shall be contained
23 in the Plan Supplement and filed with the Clerk of the Bankruptcy Court at least five (5)
24 Business Days prior to date of the commencement of the Confirmation Hearing. Upon its filing
25 with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of
26 the Bankruptcy Court during normal court hours. Holders of Claims or Interests may obtain a
27 copy of the Plan Supplement upon written request to the Debtors.

26 **J. Notices**

27 Any notice, request, or demand required or permitted to be made or provided to or
28 upon a Debtor or the Plan Trustee under the Plan shall be (i) in writing, (ii) served by (a)
certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first

1 class mail, or (e) facsimile transmission, and (iii) deemed to have been duly given or made when
2 actually delivered or, in the case of notice by facsimile transmission, when received and
3 telephonically confirmed, addresses as follows:

4 **[Address of Plan Trustee]**

5 with a copy to:

6 Cecil Shenker
7 Akin, Gump, Strauss, Hauer & Feld, L.L.P.
8 300 Convent Street
9 Suite 1500
10 San Antonio, Texas 78205
11 Telephone: (210) 281-7000
12 Fax: (210) 224-2035

13 **K. Indemnification Obligations**

14 Except as otherwise specifically limited in this Plan, any obligations or rights of
15 any Debtor to indemnify those individuals who have served as directors, officers, or employees
16 at any time during these Chapter 11 Cases pursuant to such Debtors' certificate of incorporation,
17 by-laws, policy of providing employee indemnification, applicable state law, or specific
18 agreement in respect of any claims, demands, suits, causes of action, or proceedings against such
19 directors, officers, or employees based upon any post-petition act or omission in connection with,
20 relating to, or arising out of, the Chapter 11 Cases, the sale of the Debtors' assets pursuant to the
21 Asset Purchase Agreement, the solicitation of acceptances of the Plan, the pursuit of
22 confirmation of the Plan, the consummation of the Plan, or the administration of the Estates or of
23 the Plan or the property to be distributed under the Plan, or pursuant to any indemnification
24 obligation that is entitled to priority as an expense of administration for any reason, shall survive
25 and become an obligation of the Plan Trust and remain unaffected.

26 **L. Prepayment**

27 Except as otherwise provided in this Plan or the Confirmation Order, the Plan
28 Trustee shall have the right to prepay, without penalty, all or any portion of an Allowed Claim at
any time; *provided, however*, that any such prepayment shall not be violative of, or otherwise
prejudice, the relative priorities and parities among the classes of Claims.

M. Term Of Injunctions Or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or
stays provided for in the Chapter 11 Cases under Sections 105 or 362 of the Bankruptcy Code or
otherwise, and extant on the Confirmation Date (excluding any injunctions or stays contained in
this Plan or the Confirmation Order), shall remain in full force and effect until the Effective
Date.

Except as otherwise expressly provided in the Plan or the Confirmation Order, all
entities who have held, hold or may hold Claims against, or Interests in, the Debtors will be

1 permanently enjoined, on and after the Effective Date, from (i) the enforcement, attachment,
2 collection or recovery by any manner or means of any judgment, award, decree or order against
3 the property of the Estates or the proceeds of such property, including without limitation
4 property transferred to the Buyer (except with respect to liabilities expressly assumed by the
5 Buyer) or the Plan Trust, on account of any such Claim or Interest, (ii) creating, perfecting or
6 enforcing any encumbrance of any kind against the property or interests in such property while it
7 remains in the Estates or the Plan Trust, on account of any such Claim or Interest, (iii) asserting
8 any right of setoff, subrogation or recoupment of any kind against any obligation due from any
9 of the Debtors or against the property or interests in property of any of the Debtors on account of
10 any such Claim or Interest, and (iv) asserting any Claim or Interest against Buyer or McDonald's
11 other than Claims directly related to the assumed liabilities or rights under the Executory
12 Contracts that are assigned to the Buyer.

13
14
15 **N. Governing Law**

16 Unless a rule of law or procedure is supplied by federal law (including the
17 Bankruptcy Code and Bankruptcy Rules) the laws of (i) the State of Colorado shall govern the
18 construction and implementation of the Plan and any agreements, documents, and instruments
19 executed in connection with the Plan and (ii) the laws of the state of incorporation of each
20 Debtor shall govern corporate governance matters with respect to such Debtor, in either case
21 without giving effect to the principles of conflicts of law thereof.

22 Dated: Golden, Colorado
23 January 6, 2000

BOSTON CHICKEN, INC.

24 _____
25 /s/
26 By: J. Michael Jenkins
27 Title: President & Chief Executive Officer

28 Akin, Gump, Strauss, Hauer & Feld, L.L.P.
Attorneys for the Debtors

By: Jeffrey C. Krause (Calif. Bar No. 94053)

Dated: January 6, 2000

Cecil Schenker
H. Rey Stroube, III
Jeffrey C. Krause

Definitions

1. “Adequate Protection Obligation” shall be as defined in the “Agreed Final Order Authorizing Use of Cash Collateral And Granting Certain Adequate Protection Relief To The 1996 Lenders” entered by the Bankruptcy Court on November 4, 1998.

2. “Administrative Claim” means a Claim for payment of an administrative expense of a kind specified in Section 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority pursuant to Section 507(a)(1) of the Bankruptcy Code, including, but not limited to, (a) the actual, necessary costs and expenses, incurred after the Petition Date, of preserving the Estates and operating the businesses of the Debtors, including wages, salaries, or commissions for services rendered after the commencement of the Chapter 11 Cases, (b) Professional Fees, (c) all fees and charges assessed against the Estates under chapter 123 of title 28, United States Code, and (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under Section 546(c)(2)(A) of the Bankruptcy Code. Administrative Claims shall not include the costs of administering the Plan Trust which shall be priority unsecured liabilities of the Plan Trust.

3. “Administrative Reserve” means the reserve established for the payment of costs of administering the Plan Trust, including without limitation the fees and expenses of the Plan Trustee and any professionals employed by the Plan Trustee, which reserve shall be free and clear of any and all Liens at all times and may be replenished from time to time pursuant to the provisions of the Plan.

4. “Affiliate” means BCI or any corporation, limited liability company, joint venture or partnership in which BCI directly or indirectly owns 20% or more of the equity interest of such entity, including, without limitation, BCREI and each of the Debtors. Boston West and Platinum are not Affiliates. BCNW was not an Affiliate.

5. “Allowed Claim” means a Claim or any portion thereof (a) as to which no objection to allowance or request for estimation has been interposed on or before the Objection Date or the expiration of such other applicable period of limitation fixed by the Bankruptcy Code, Bankruptcy Rules, or the Bankruptcy Court, (b) as to which any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, (c) that has been allowed by a Final Order, (d) as to which the liability of the Debtors, or any of them, and the amount thereof are determined by a final order of a court of competent jurisdiction other than the Bankruptcy Court, or (e) that is expressly allowed in a liquidated amount in the Plan; *provided, however*, that with respect to an Administrative Claim, “Allowed Claim” means an Administrative Claim as to which a timely request for payment has been made in accordance with Article XIII of this Plan (if such written request is required) or other Administrative Claim, in each case as to which (1) no party in interest has interposed a timely objection or (2) any timely objection has been settled, waived through payment, or withdrawn, or has been denied by a Final Order.

6. “Allowed” means, when used in reference to a Claim or Interest within a particular Class, an Allowed Claim or Allowed Interest of the type described in such Class.

1 7. "Allowed Class . . . Claim" means an Allowed Claim in the particular Class
2 described.

3 8. "Allowed Class . . . Interest" means an Interest in the particular Class
4 described (a) that has been allowed by a Final Order, (b) for which (i) no objection to its
5 allowance has been filed by the Objection Date or by any Final Order of the Bankruptcy Court or
6 (ii) any objection to its allowance has been settled or withdrawn, or (c) that is expressly allowed
7 in the Plan.

8 9. "Asset Purchase Agreement" means the Asset Purchase Agreement dated
9 November 30, 1999 among the Debtors, as sellers, and Golden Restaurant Operations, Inc.
10 ("Buyer"), as buyer, with certain of its obligations guaranteed by McDonald's.

11 10. "Ballots" means each of the ballot forms distributed with the Disclosure
12 Statement to holders of Impaired Claims entitled to vote under Article II hereof in connection
13 with the solicitation of acceptances of the Plan.

14 11. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in
15 title 11 of the United States Code 11 U.S.C. §§ 101-1330, as now in effect or hereafter amended.

16 12. "Bankruptcy Court" means the United States Bankruptcy Court for the
17 District of Arizona or such other court, as may have jurisdiction over the Chapter 11 Cases.

18 13. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy
19 Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure,
20 as amended, as applicable to the Chapter 11 Cases or proceedings therein, and the Local Rules of
21 the Bankruptcy Court, as applicable to the Chapter 11 Cases or proceedings therein, as the case
22 may be.

23 14. "Bar Date(s)" means the date(s) designated by the Bankruptcy Court as the
24 last dates for filing proofs of Claim against the Debtors.

25 15. "BCA" means each of the Debtors other than BCI and BCREI.

26 16. "BCA Estate Funds" means, as to each BCA, the consideration from the
27 disposition of property of that BCA's Estate that does not constitute Collateral, including without
28 limitation Litigation Claims, if any, that do not constitute Collateral, and consideration from the
disposition of Collateral of that BCA, to the extent the consideration for the specific Collateral
exceeds all Allowed Secured Claims secured by Liens on that Collateral.

17. "BCI" means Boston Chicken, Inc., a Delaware corporation, debtor and debtor
in possession.

18. "BCI Estate Funds" means the consideration from the disposition of property
of BCI's Estate that does not constitute Collateral, including without limitation, Litigation
Claims, if any, that do not constitute Collateral, and consideration from the disposition of
Collateral of BCI to the extent consideration for the specific Collateral exceeds all Allowed
Secured Claims secured by Liens on that Collateral.

1 19. “BCREI” means BC Real Estate Investments, Inc., a Delaware corporation,
2 debtor and debtor in possession.

3 20. “BCREI Estate Funds” means the consideration from the disposition of
4 property of BCREI’s Estate that does not constitute Collateral, including without limitation,
5 Litigation Claims, if any, that do not constitute Collateral, and Proceeds from the disposition of
6 Collateral of BCREI to the extent the consideration received for the specific Collateral exceed all
7 Allowed Secured Claims secured by Liens on that Collateral.

8 21. “Boston Chicken Affiliate” and “BCA” mean each of the Debtors other than
9 BCI and BCREI.

10 22. “Boston West” means Boston West, L.L.C., the debtor and debtor in
11 possession in Case No. SA-98-25243-LR, in the United States Bankruptcy Court for the Central
12 District of California.

13 23. “Business Day” means any day, excluding Saturdays, Sundays or “legal
14 holidays” (as defined in Fed. R. Bankr. P. 9006(a)), on which commercial banks are open for
15 business in New York, New York.

16 24. “Buyer” means Golden Restaurant Operations, Inc., the buyer as defined in
17 the Asset Purchase Agreement.

18 25. “Carve Out” means the amount to which professionals employed by the
19 Debtors or the Creditors’ Committee are entitled to receive from the 1996 Lenders’ Collateral
20 pursuant to the agreed upon carve out provisions of the Bankruptcy Court’s prior orders.

21 26. “Cash” means legal tender of the United States or equivalents thereof.

22 27. “Cash Consideration” means all of the cash consideration to be provided by
23 the Buyer under the Asset Purchase Agreement.

24 28. “Chapter 11 Cases” means the jointly administered Chapter 11 Cases of BCI,
25 BCREI, and the BOSTON CHICKEN AFFILIATES.

26 29. “Claim” means a claim against the Debtors, or any of them, whether or not
27 asserted, as defined in Section 101(5) of the Bankruptcy Code.

28 30. “Class” means a category of holders of Claims or Interest, as described in the
Plan.

 31. “Closing Date” means the Closing Date as defined in Paragraph 8.1 of the
Asset Purchase Agreement.

 32. “Collateral” means any property or interest in property of any Debtor’s Estate
subject to a Lien to secure the payment or performance of a Claim, which Lien is not invalid,
unenforceable or subject to avoidance under the Bankruptcy Code or other applicable law.

1 33. “Common Equity Securities” means the Common Stock, Membership
2 Interests, and the Partnership Interests, together with any options, warrants or rights, contractual
3 or otherwise, to receive such Equity Securities, including without limitation, the Options,
4 Warrants and Rights.

5 34. “Common Stock” means the shares of common stock of BCI, BCREI and any
6 BCA that is a corporation, together with any options, warrants or rights, contractual or otherwise,
7 if any, to purchase, acquire or receive any such common stock, including, without limitation, the
8 Options, Warrants and Rights.

9 35. “Confirmation” means entry by the Bankruptcy Court of the Confirmation
10 Order.

11 36. “Confirmation Date” means the date of entry by the clerk of the Bankruptcy
12 Court of the Confirmation Order.

13 37. “Confirmation Hearing” means the hearing to consider confirmation of the
14 Plan under Section 1128 of the Bankruptcy Code.

15 38. “Confirmation Order” means the order entered by the Bankruptcy Court
16 confirming the Plan.

17 39. “Creditor” means any Person who holds a Claim against the Debtors or any of
18 them.

19 40. “Creditors’ Committee” means the committee of unsecured creditors
20 appointed pursuant to Section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases.

21 41. “Cure” means the distribution of Cash, or such other property as may be
22 agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption of
23 an Executory Contract, pursuant to Section 365(b) of the Bankruptcy Code, in an amount equal
24 to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon
25 by the parties, under such Executory Contract, to the extent such obligations are enforceable
26 under the Bankruptcy Code and applicable bankruptcy law.

27 42. “Debenture Claims” means the Claims under the Debentures, but excluding
28 all Debt Securities Claims.

 43. “Debentures” means collectively or separately the 1994 Debentures, the 1997
Debentures and the LYONs.

 44. “Debtor(s)” means, individually, BCI, BCREI, or each BOSTON CHICKEN
AFFILIATE, and collectively, BCI, BCREI and all of the BOSTON CHICKEN AFFILIATES,
including in their capacity as debtors-in-possession pursuant to Sections 1107 and 1108 of the
Bankruptcy Code, and as reorganized hereunder.

 45. “Debt Securities Claim” means a Securities Claim arising directly or
indirectly from a Debenture.

1 46. "DIP Facility" means the debtor-in-possession credit facility provided to the
2 Debtors during the Chapter 11 Cases under the Debtor in Possession Credit Agreement dated as
3 of October 5, 1998, as amended by Amendment No. 1 dated as of February 24, 1999,
4 Amendment No. 2 dated as of May 25, 1999, Amendment No. 4 dated as of August 30, 1999,
5 Amendment No. 5 dated as of September 17, 1999 and Amendment No. 6 dated as of December
6 14, 1999 and as further supplemented by certain letter agreements dated as of October 6, October
7 22, November 2, November 16 and December 1, 1999.

8 47. "DIP Facility Claim" means all Claims arising under the DIP Facility.

9 48. "Disclosure Statement" means the written disclosure statement that relates to
10 the Plan, dated January 6, 2000, as amended, supplemented, or modified from time to time, and
11 that is prepared and distributed in accordance with Sections 1125 and 1126(b) of the Bankruptcy
12 Code and Fed. R. Bankr. P. 3018.

13 49. "Disputed Claim" means any Claim not otherwise Allowed or paid pursuant
14 to the Plan or an order of the Bankruptcy Court (a) which has been or hereafter is listed on the
15 Schedules as unliquidated, contingent, or disputed, and which has not been resolved by written
16 agreement of the parties or an order of the Bankruptcy Court, (b) proof of which was required to
17 be filed by order of the Bankruptcy Court but as to which a proof of Claim was not timely or
18 properly filed, (c) proof of which was timely and properly filed and which has been or hereafter
19 is listed on the Schedules as unliquidated, disputed or contingent, (d) that is disputed in
20 accordance with the provisions of this Plan, or (e) as to which a party in interest has interposed a
21 timely objection or request for estimation in accordance with the Bankruptcy Code, the
22 Bankruptcy Rules, and any orders of the Bankruptcy Court, or is otherwise disputed by a party in
23 interest in accordance with applicable law, which objection, request for estimation, or dispute has
24 not been withdrawn or determined by a Final Order; *provided, however*, that for purposes of
25 determining whether a particular Claim is a Disputed Claim prior to the expiration of any period
26 of limitation fixed for the interposition of objections to the allowance of Claims, any Claim that
27 is not identified by the applicable Debtor as an Allowed Claim shall be deemed a Disputed
28 Claim.

 50. "Distribution Reserve" means the reserve, if any, established and maintained
by the Plan Trustee, into which the Plan Trustee shall deposit the amount of Cash that would
have been distributed by the Plan Trustee on the Initial Distribution Date to holders of (a)
Disputed Claims, (b) contingent liquidated Claims, if such Claims had been undisputed or
noncontingent Claims on the Initial Distribution Date, pending (i) the allowance of such Claims
or the estimation of such Claims for purposes of allowance or (ii) the satisfaction of all existing
contingencies that had prevented that Claim from being noncontingent, and (c) unliquidated
Claims, if such Claims had been liquidated on the Initial Distribution Date, such to be estimated
by the Bankruptcy Court or agreed upon by the Plan Trustee and the holders thereof as sufficient
to satisfy such unliquidated Claim upon such Claim's (x) allowance, (y) estimation for purposes
of allowance, or (z) liquidation, pending the occurrence of such estimation or liquidation.

 51. "Effective Date" means the Business Day on which all conditions to the
consummation of the Plan as set forth in Article X.B. hereof have been satisfied or waived as
provided in Article X.C. hereof and is the effective date of the Plan.

1 52. "Employee in Good Standing" means any employee of the Debtors as of the
2 Effective Date, including those on short term disability leave, workers' compensation leave or
3 other authorized leave on absence on the Effective Date, other than such employee: (i) who has
4 been absent from work without authorization for one or more weeks on the Effective Date or (ii)
5 who is on long term disability on the Effective Date; provided, that any employee of the Debtors
6 on short term disability leave, workers' compensation leave or other unauthorized leave of
absence on the Effective Date will cease to be an Employee in Good Standing as of the Effective
Date unless such employee returns to his or her employment within ninety days of the date on
which such employee's disability leave began.

7 53. "Equity Securities" means the Common Equity Securities and the Preferred
8 Equity Securities.

9 54. "Equity Securities Claim" means a Securities Claim arising directly or
10 indirectly from any Equity Securities.

11 55. "Estate(s)" means, individually, the estate of BCI, BCREI, or any BOSTON
12 CHICKEN AFFILIATE in the Chapter 11 Cases, and, collectively, the estates of BCI, BCREI
and all of the BOSTON CHICKEN AFFILIATES in the Chapter 11 Cases, created pursuant to
Section 541 of the Bankruptcy Code.

13 56. "Estate Funds" means, for each Estate, the cash realized from the liquidation
14 of the assets of the Estate which are not subject to any valid and enforceable Liens and the
15 Proceeds of any Collateral to the extent that such Proceeds exceed all Claims secured by valid
and enforceable Liens on such Collateral.

16 57. "Executory Contract" means a lease or executory contract within the meaning
17 of Bankruptcy Code section 365, including without limitation leases of real property and/or
18 personal property but excluding any leases that would be treated as Security Interests under
Uniform Commercial Code § 1-201(37).

19 58. "Face Amount" means (a) when used in reference to a Disputed Claim, the
20 full stated amount claimed by the holder of such Claim in any proof of Claim timely filed with
21 the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy
Court or other applicable bankruptcy law, and (b) when used in reference to an Allowed Claim,
the allowed amount of such Claim.

22 59. "Final Order" means an order or judgment of the Bankruptcy Court as entered
23 on the docket in the Chapter 11 Cases with respect to which any delay under Bankruptcy Rule
24 7062 in its operative effect has passed, the operation or effect of which has not been stayed,
reversed, or amended.

25 60. "Final Secured Creditor Distribution Date" shall mean the one year
26 anniversary of the Effective Date.

27 61. "General Administrative Claim" means all Claims entitled to priority as
28 expenses of administration under Bankruptcy Code sections 503 and 507(a)(1), other than DIP
Facility Claims and Adequate Protection Obligations.

1 62. "General Unsecured Claim" means a Claim against the Debtors, or any of
2 them, that is not: (a) a Priority Claim, (b) a Secured Claim, (c) a Debenture Claim, (d) an
3 Intercompany Claim, or (e) a Securities Claim.

4 63. "Impaired" means, when used with reference to a Claim or Interest, a Claim
5 or Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

6 64. "Initial Distribution Date" means the first business day after the Effective
7 Date.

8 65. "Intercompany Claim" means, as the case may be, any Claim of any Affiliate
9 against any other Affiliate.

10 66. "Interest" means (a) the legal, equitable, contractual and other rights of any
11 person with respect to any Equity Securities issued by any of the Debtors, and (b) the legal,
12 equitable, contractual or other rights of any person to acquire or receive any of the foregoing.

13 67. "Lien" means a charge against or interest in property to secure payment of a
14 debt or performance of any obligation, including without limitation a security interest, as defined
15 in the Bankruptcy Code section 101(51) whether granted before or after the Petition Date and the
16 Liens created pursuant to the Financing Orders.

17 68. "Litigation Claims" means the claims, causes of action, suits, or proceedings,
18 whether in law or in equity, whether known or unknown, that the Debtors or their Estates may
19 hold against any Person, which are to be transferred to the Plan Trustee pursuant to the Plan.

20 69. "LYONs" means the liquid yield option notes due 2015.

21 70. "McDonald's" means McDonald's Corporation, the parent of the Buyer and
22 guarantor of certain of the Buyer's obligations under the Asset Purchase Agreement.

23 71. "Membership Interests" means the units of membership interest in each of the
24 BCAs that is a limited liability company, together with any options, warrants or rights,
25 contractual or otherwise, if any, to purchase, acquire or receive any such membership units,
26 including without limitation Options, Warrants and Rights.

27 72. "Net Proceeds" means the Proceeds of the 1996 Lenders' Collateral, less all
28 payments to the holders of Priority Claims, as expressly authorized under the terms of the Plan.

 73. "1995 BCA Collateral" means all 1995 Collateral that is owned by a BCA.

 74. "1995 BCI Collateral" means all 1995 Collateral that is owned by BCI.

 75. "1995 Collateral" means all Collateral owned by the Debtors that secures
payment of the 1995 Lenders' Allowed Secured Claims.

 76. "1995 Lenders" means the "lessor" and all direct participants under the
Master Lease Agreement dated September 27, 1995.

1 77. "1994 Debenture" means the 4-1/2% Convertible Subordinated Debentures
2 due 2004.

3 78. "1996 BCA Collateral" means all 1996 Collateral that is owned by a BCA.

4 79. "1996 BCI Collateral" means all 1996 Collateral that is owned by BCI.

5 80. "1996 BCREI Collateral" means all 1996 Collateral that is owned by BCREI.

6 81. "1996 Collateral" means all Collateral owned by the Debtors that secures
7 payment of the 1996 Lenders' Allowed Secured Claims, whether the Liens in such Collateral
8 were granted prepetition, pursuant to the Adequate Protection Order or this Plan.

9 82. "1996 Lenders" means the holders of Allowed Claims under both the
10 Revolver Loan and the 1996 Master Lease Lenders.

11 83. "1996 Lenders' Reimbursement Claims" means the 1996 Lenders' Claim for
12 an amount equal to the difference between the Proceeds of their Collateral and the Net Proceeds
13 of their Collateral, less the remaining Carve-Out from which Administrative Claims are paid
14 after the Effective date, if any, which Claim will be secured by replacement Liens on the Estate
Funds, subject to an agreement between the Plan Trustee and the 1996 Lenders that shall be
finalized prior to the Confirmation Hearing to allow the Plan Trustee to use such Estate Funds to
pay the costs of administering the Plan Trust.

15 84. "1996 Master Lease Lenders" means the "lessor" and all direct all participants
16 in the Master Lease Agreement No. 2, dated as of December 9, 1996. as amended from time to
time.

17 85. "1997 Debentures" means the 7-3/4% Convertible Subordinated Debentures
18 due 2004.

19 86. "Objection Date" shall mean the 120th day after the Confirmation Date.

20 87. "Options" means the outstanding options to purchase any Equity Securities of
21 the Debtors as of the Petition Date.

22 88. "Other Priority Claim" means a Claim entitled to priority pursuant to Section
23 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

24 89. "Other Secured Claims" means, collectively, all Secured Claims against BCI,
25 BCREI, or BOSTON CHICKEN AFFILIATES, as the case may be, other than the Secured
Claims of the 1995 Lenders and the 1996 Lenders.

26 90. "Partnership Interests" means the units of partnership interest in each of the
27 BCA's that is a partnership, together with any options, warrants or rights, contractual or
28 otherwise, if any, to purchase, acquire or receive any such membership units, including without
limitation Options, Warrants and Rights.

1 91. "Petition Date" means October 5, 1998, the date on which BCI, BCREI, and
2 the BOSTON CHICKEN AFFILIATES filed their petitions for relief commencing the Chapter
3 11 Cases.

4 92. "Plan" means this Chapter 11 reorganization plan for BCI, BCREI, and the
5 BOSTON CHICKEN AFFILIATES, and all exhibits annexed hereto or referenced herein, as the
6 same may be amended, modified or supplemented from time to time.

7 93. "Plan Supplement" means the compilation of documents and forms of
8 documents specified in the Plan which will be filed with the Bankruptcy Court not later than five
9 (5) Business Days prior to the date of commencement of the Confirmation Hearing.

10 94. "Preferred Equity Securities" means the Preferred Stock, the Preferred
11 Membership Interests and the Preferred Partnership Interests.

12 95. "Preferred Membership Interests" means the units of membership interest that
13 are entitled to any preferred or priority distribution over other Membership Interests in such BCA
14 upon the dissolution or liquidation of such BCA, if any, in each of the BCA's that is a limited
15 liability company, together with any rights, contractual or otherwise, if any, to purchase, acquire
16 or receive any such Preferred Membership Interests, including without limitation Options,
17 Warrants and Rights.

18 96. "Preferred Partnership Interests" means the units of partnership interest that
19 are entitled to any preferred or priority distribution over other Partnership Interests in such BCA
20 upon the dissolution or liquidation of such BCA, if any, in each of the BCA's that is a
21 partnership, together with any rights, contractual or otherwise, if any, to purchase, acquire or
22 receive any such Preferred Partnership Interests, including without limitation Options, Warrants
23 and Rights.

24 97. "Preferred Stock" means the shares of BCI preferred stock and the shares of
25 preferred stock of BCREI or any BCA that is a corporation, if any, together with any options,
26 warrants or rights, contractual or otherwise, if any, to purchase, acquire or receive any such
27 preferred stock, including without limitation Options, Warrants and Rights.

28 98. "Priority Claim" means all Claims entitled to priority under Bankruptcy
Code section 507, including all Unclassified Priority Claims and all Claims in Class 1 with
respect to each Debtor.

 99. "Priority Tax Claim" means a Claim that is entitled to priority pursuant to
Section 507(a)(8) of the Bankruptcy Code.

 100. "Proceeds" means the gross proceeds from the disposition of Collateral,
including Cash Consideration and assumed liabilities, less all sums for which those gross
proceeds can be surcharged, either by agreement of the holder of the Allowed Secured Claim and
the Plan Trustee or by Final Order of the Bankruptcy Court, including without limitation the
reasonable, necessary costs and expenses of preserving or disposing of such Collateral to the
extent of any benefit to the holder of such Secured Claim.

1 101. “Professional” means any professional employed in any of the Chapter 11
2 Cases pursuant to Sections 327 or 1103 of the Bankruptcy Code or otherwise and the
3 professionals seeking compensation or reimbursement of expenses in connection with the
Chapter 11 Cases pursuant to Section 503(b)(4) of the Bankruptcy Code.

4 102. “Professional Fee Claim” means a Claim of a Professional for
5 compensation or reimbursement of costs and expenses relating to services incurred after the
6 Petition Date and prior to and including the Effective Date.

7 103. “Pro Rata” means at any time, the proportion that the Face Amount of a
8 Claim bears to the aggregate Face Amount of all Claims (including Disputed Claims), unless the
9 Plan provides otherwise.

10 104. “Retained Assets” shall mean the assets described as being retained by the
11 Debtors and not sold to the Buyer in Section 1.2 of the Asset Purchase Agreement and the related
12 schedules.

13 105. “Revolver Loan” means the Secured Revolving Credit Agreement dated as
14 of December 6, 1996, as amended from time to time thereafter.

15 106. “Rights” means the outstanding rights to purchase, acquire or receive any
16 Equity Securities of the Debtors as of the Petition Date.

17 107. “Schedules” means the schedules of assets and liabilities and the
18 statements of financial affairs, if any, filed in the Bankruptcy Court by BCI, BCREI, or a
19 BOSTON CHICKEN AFFILIATE, as the case may be, as such schedules or statements may be
20 amended or supplemented from time to time in accordance with Fed. R. Bankr. P. 1009 or orders
21 of the Bankruptcy Court.

22 108. “Secured Claim” means a Claim, other than a Setoff Claim, that is secured
23 by a security interest in or lien upon property, or the proceeds of the sale of such property, in
24 which a Debtor has an interest to the extent of the value, as of the Closing Date or such later date
as is established by the Bankruptcy Court, of such interest or lien as determined by a Final Order
of the Bankruptcy Court pursuant to Section 506 of the Bankruptcy Code or as otherwise agreed
upon in writing by such Debtor or the Plan Trustee and the holder of such Claim.

25 109. “Secured Creditor Final Payment Date” means the one year anniversary of
26 the Closing Date, or such later date as may be established by either mutual agreement between
27 the Plan Trustee and the Secured Creditor entitled to a final payment or surrender of Collateral in
28 the possession of the Plan Trustee or by the Bankruptcy Court.

 110. “Securities Act” means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa,
as now in effect or hereafter amended.

 111. “Securities Action” means the consolidated class action captioned *In re*
Boston Chicken, Inc. Securities Litigation, (Civil Action No. 97-WM-1308) pending in the
United States District Court for the District of Colorado and *Krzesinski v. Boston Chicken, Inc.*,

1 *et al.* (Civil Action No. 97-CV-2259, Division 6) and related cases (District Court, Jefferson
2 County, Colorado).

3 112. “Securities Claim” means a Claim arising from the rescission of a
4 purchase or sale of any Interest or any Debenture issued by any of the Debtors, for damages
5 arising from the purchase or sale of such a security or other damages alleged to arise under
6 federal or state securities laws or regulations or under any contract related to any such sale or
7 purchase, or for reimbursement, contribution or indemnification allowed under Section 502 of
the Bankruptcy Code on account of such Claim, including, without limitation, a Claim with
respect to any action pending against BCI and/or its current or former officers and directors in
which Securities Claims are asserted, including the Securities Action.

8 113. “Setoff Claim” means a Claim, against a Debtor, of a holder that has a
9 valid right of setoff with respect to such Claim, which right is enforceable under Section 553 of
10 the Bankruptcy Code as determined by a Final Order or as otherwise agreed in writing by such
Debtor or the Plan Trustee, to the extent of the amount subject to such right of setoff.

11 114. “Severance Program” means both the severance program guidelines for
12 “severance program 1” and “severance program 2” as defined in the Asset Purchase Agreement.

13 115. “Solicitation” means the solicitation of acceptances or rejections of the
14 Plan pursuant to Section 1126(b) of the Bankruptcy Code.

15 116. “Subordinated Creditors” means the holders of Debenture Claims.

16 117. “Subsidiaries” means, collectively, the direct and indirect subsidiaries of
BCI listed on the annexed Exhibit C.

17 118. “Substantial Contribution Claim” means a claim for compensation or
18 reimbursement of expenses incurred in making a substantial contribution in the Chapter 11 Cases
19 pursuant to Section 503(b)(3), (4), or (5) of the Bankruptcy Code.

20 119. “Unimpaired Claim” means a Claim that is not an Impaired Claim.

21 120. “Unresolved Executory Contracts” means those Executory Contracts
22 (including leases of real property) listed on Part B of Schedules 1.1.4 and 1.1.8 of the Asset
Purchase Agreement as of the Confirmation Hearing.

23 121. “Unsecured Claim” means any Claim against a Debtor that is not secured
24 by a Lien on property of that Debtor.

25 122. “Voting Deadline” means March __, 2000.

26 123. “Warrants” means the outstanding warrants to purchase any Equity
27 Securities of the Debtors as of the Petition Date.
28